

FUNCTIONING AND MANAGEMENT OF SHGS IN SOUTH INDIA

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Abstract

In India, Self-Help Groups (SHGs) are an integral component of the Bank Linkage Programme, which is endorsed by the National Bank for Agriculture and Rural Development (NABARD). However, there are uncertainties around the efficacy of these organizations in effectively overseeing their financial transactions and ensuring their long-term viability. In this chapter, an effort is undertaken to examine the operational and managerial dimensions of Self-Help Groups (SHGs) to evaluate their sustainability and effect. This paper examines the organizational and administrative aspects of Self-Help Groups (SHGs), focusing on their evolution, group creation, investment formation via loan provision and outstanding amount of loan. South India has taken as the study area and primary data is used for the purpose of the study to estimate the functioning and management of SHG programme. Finally the results shows that there is still improper functioning and utilization of funds among the sample states and there is a dearth need to focus on the management of SHGs in the study area.

KEY WORDS: *Bank Linkage, Loan utilization, Outstanding Loan and repayment.*

I. INTRODUCTION: In India, Self-Help Groups (SHGs) are an integral component of the Bank Linkage Programme, which is endorsed by the National Bank for Agriculture and Rural Development (NABARD). The concept combines affordable financial services with a self-management and development process for women who participate in Self-Help Groups (SHGs) as members. This initiative entails the collaboration of banks, Non-Governmental Organizations (NGOs), and Government agencies throughout the nation to establish and assist Self-Help Groups (SHGs), which are founded and supported by both NGOs and Government agencies. An examination of various institutional, managerial and financial aspects of the SHGs is important in order to assess the effectiveness of groups and sustainability of these groups to achieve the desired objective of the programme (Sudarshan, 2011).

The Self-Help Group (SHG) primary goal is to enhance women's empowerment by facilitating access to financial assistance via bank connection (Praveen Sharma, 2012). The provision of financial aid via bank connection is contingent upon the Self-Help Groups (SHGs) group dynamics. Therefore, there is a need examines the association between joining a self-help group (SHG) and various functioning of groups (Atkinson *et.al.*, 2013). This enables a comprehensive evaluation of the operational and enduring viability of the Self-Help Group (SHG) project. Study of group dynamics of SHG's is to identify the important dimensions contributing to their effectiveness that is the way the groups and individuals act and react to change circumstances (Kappa Kondal, 2014). The group dynamics of SHGs includes different processes of SHG banks linkage like group formation, regularity of meetings, collection of savings, internal lending, interest rate of internal lending, SHG bank linkage, purpose of linkage, utilization of linkage, outstanding of linkage amount, distribution pattern of linkage amount among member's repayment capacity and problems in the repayment (Nirmala and Kavika, 2014).

I.1 OBJECTIVES OF THE STUDY

1. To examine the functioning and management of SHG's in South Indian States of Andhra Pradesh, Telangana and Tamil Nadu.
2. To identify the challenges faced by Self-Help Groups (SHGs) and provide appropriate strategies to address these issues, promoting their long-term viability and enhancing their role in empowering individuals and communities.

I.2 METHODOLOGY: For this study, we use a multi-stage stratified random sampling method. The study analyzed both primary and secondary sources of information. The primary data was collected from three hundred sample SHG members who received at least four bank linkages in selected sample three states of Andhra Pradesh, Telangana and Tamil Nadu through a well-structured questionnaire by face to face interview. The total of 900 sample respondents have taken from 180 SHGs across the three states. Each state 300 sample women SHG members have chosen from 60 SHGs. The analysis is based on the primary data has collected the opinion of the Sample respondents about various management aspects accomplished in their groups. To assess the effectiveness and sustainability of SHGs, the analysis is made on the indicators which include group dynamics of the SHGs.

II. ANALYSIS OF THE STUDY

II.1 EXPERIENCE AS GROUP MEMBER: The experience as group member is an important factor to measure the effectiveness of the SHG. With the increase in the experience of group it becomes convenient to consolidate the activities of SHG and facilitate the members to understand the group dynamics of the SHGs. Distribution of the respondents by the years of experience in the SHGs is presented in table 1.

Table – 1: State wise Distribution of Sample Respondents by SHG Age

Age of the SHG Ranges in years	Name of the State			Total Number of Respondents
	Andhra Pradesh	Tamil Nadu	Telangana	
5 to 10 years	179 59.7	175 58.3	215 71.7	569 63.2
10 to 15 years	75 25.0	71 23.7	75 25.0	221 24.6
Above 15	46 15.3	54 18.0	10 3.3	110 12.2
Total	300 100.0	300 100.0	300 100.0	900 100.0

Source: Primary Data

In the above table 1, there are three data attributers, age distribution of SHG members in three different states of Andhra Pradesh, Tamil Nadu, and Telangana. It is categorized into three age ranges: 5 to 10 years, 10 to 15 years, and Above 15. Name of the state lists the names of the three states under consideration. Total Number of Respondents indicates the total count of SHG members in each age range for each state, and it provides both the absolute number and the percentage of respondents in parentheses.

In Andhra Pradesh, the 5 to 10 years age range, Andhra Pradesh respondents, which is 59.7 per cent of the total SHG members in the state. Followed by the 10 to 15 years age range comprising 25.0 per cent of total respondents and in the Above 15 age range, has lowest SHG respondents, making up 15.3 per cent.

In Tamil Nadu, the 5 to 10 years age range has highest SHG respondents, accounting for 58.3 per cent of the total SHG members from this state. Followed by the 10 to 15 years age range representing 23.7 per cent and In the above 15 age range, has lowest SHG respondents comprising 18.0 per cent.

In Telangana, 5 to 10 years age range, Telangana has the highest number of SHG respondents, making up 71.7 per cent of the total SHG members in the state. Followed by, the

10 to 15 years age range, accounting for 25.0 per cent and in Above 15 age range, has lowest SHG respondents representing 3.3 per cent of the total in Telangana.

In Total, out of 900 sample respondents across all three states, the 5 to 10 years age range has the highest representation, making up 63.2 per cent of the overall SHG members. Followed by, 10 to 15 years age range, accounting for 24.6 per cent and in the Above 15 age range has lowest SHG respondents representing 12.2 per cent of the total across all states.

II.2 CONDUCT OF MEETINGS: Regular conduct of the group meetings was one of the cardinal principles of the SHGs. In an informal organizational structure like SHGs, regular meetings are required to perform the financial activities. A part from this, it helps members to discuss social issues with their group members. All decisions are taken and all financial transactions are made in the group meeting only. The Indira Kranthi Patham project staff advocated monthly meeting norm initially, but advocated weekly meetings since the year 2006.

In the table 2, provides insights into the frequency of SHG Self-Help Group meetings among respondents in the three different states. Frequency of Meeting categorizes the respondents based on how often they attend SHG meetings, with options including Weekly, Fortnightly, Monthly, and Rarely. Total Number of Respondents presents the total count of respondents in each frequency category, both for each state and overall, with percentages indicating the proportion of respondents in each category out of the total respondents. Total shows the overall total count of respondents in each state and the total percentage distribution.

Table-2: State wise Distribution of the Sample Respondents by Frequency of Meetings Organized by SHGs

Frequency of Meeting	Name of the State			Total Number of Respondents
	Andhra Pradesh	Tamil Nadu	Telangana	
Weekly	11	27	24	62
	3.7	9.0	8.0	6.9
Fortnightly	14	19	23	56
	4.7	6.3	7.7	6.2
Monthly	253	229	193	675
	84.3	76.3	64.3	75.0
Rarely	22	25	60	107
	7.3	8.3	20.0	11.9
Total	300	300	300	900
	100.0	100.0	100.0	100.0

Source: Primary Data.

In Andhra Pradesh, monthly meetings has an overwhelming majority of individuals accounting for 84.3 per cent this indicates a strong dedication to regular gatherings among a significant portion of SHG members in Andhra Pradesh. Followed by, Rarely Meetings making up 7.3 per cent indicating a relatively smaller but still notable group with infrequent participation. Fortnightly Meetings has the second lowest attendance with 4.7 per cent participating. Weekly Meetings has the lowest number of SHG members attending weekly meetings, with 3.7 per cent participating at this frequency across the state.

In Tamil Nadu, monthly meetings has an overwhelming majority of individuals attended the meeting accounting for 76.3 per cent. This demonstrates a consistent engagement pattern. Weekly Meetings has the second highest attendance, with participating regularly making up 9 per cent. This indicates a relatively higher preference for weekly meetings among Tamil Nadu SHG members. Rarely Meetings has the lowest number of SHG members attending, with 8.3 per cent. Fortnightly Meetings has 6.3 per cent SHG members indicating a lowest level of engagement at this frequency across the state.

In Telangana, Monthly meetings has overwhelming majority of SHG members attended the meeting accounting for 64.3 per cent. This suggests a high level of involvement among SHG members in Telangana. Rarely meetings in Telangana has the second highest percentage of SHG members attending meetings, with 20.0 per cent. Followed by, Weekly meetings making up 8.0 per cent. Fortnightly Meetings has the lowest representation in Telangana, accounting for 7.7 per cent across the state.

In total, out of 900 sample respondents across all three states, Monthly Meetings has overwhelming majority of SHG members attended the meeting accounting for 75 per cent.. Rarely Meetings has the second highest percentage of SHG members attending meetings, with 11.9 per cent. Followed by, Weekly Meetings making up 6.9 per cent. Fortnightly Meetings has the lowest representation across all three states, accounting for 6.2 per cent across all the states.

II.3 MODE OF SAVINGS COLLECTION: Savings are the route to credit is one of the basic principles behind the formation of SHGs. As such, it is important that every member of SHG should follow certain norms regarding an amount to be saved. The practice in any SHG is that members together choose the savings per month or period per member on the basis of their capacity to save. Total number of the sample SHG respondents is mobilizing savings monthly.

This table 3, provides information about the savings amounts in Rupees held by respondents in three Indian states. Savings Amount in Rupees categorizes the savings amounts into different Rupee denominations, including Rs. 50, Rs. 100, and Rs. 200. Total Number of Respondents presents the total count of respondents in each savings amount category, both for each state and overall. Total provides the overall total count of respondents in each state and the total count across all states.

Table-3: State wise Distribution of the Respondents by the Mode of Savings

Savings Amount in Rupees	Name of the State			Total Number of Respondents
	Andhra Pradesh	Tamil Nadu	Telangana	
Rs. 50	224 74.7	223 74.3	267 89.0	714 79.3
Rs. 100	67 22.3	53 17.7	12 4.0	132 14.7
Rs. 200	9 3.0	24 8.0	21 7.0	54 6.0
Total	300 100.0	300 100.0	300 100.0	900 100.0

Source: Primary Data. Note: Figures in parentheses are row percentages to the total.

In Andhra Pradesh, the majority of respondents have savings of Rs. 50 accounting for 74.7 per cent respondents, followed by Rs. 100 making up 22.3 per cent and Rs. 200 has lowest representation accounting for 3 per cent of respondents across the state. In Tamil Nadu, the majority of respondents have savings of Rs. 50 accounting for 74.3 per cent respondents, followed by Rs. 100 making up 17.7 per cent and Rs. 200 has lowest representation accounting for 8 per cent of respondents across the state.

In Telangana, the majority of respondents have savings of Rs. 50 accounting for 89 per cent respondents, followed by Rs. 200 making up 7 per cent and Rs. 100 has lowest representation accounting for 4 per cent of respondents across the state. In total, out of 900 sample respondents across all three states, the majority of respondents have savings of Rs. 50 accounting for 79.3 per cent respondents, followed by Rs. 100 making up 14.7 per cent and Rs. 200 has lowest representation accounting for 6 per cent of respondents across all the states.

II.4 INTERNAL LENDING AMONG SHG MEMBERS: Internal lending is another basic principle of the SHGs for building their strength to meet the emergency needs of their members. The SHG group utilizes their savings for internal lending. The considerable of

internal group loan to be given on the basis of interest rate, purpose, repayment period and installment are decided by the group members in the group meeting after a thorough appraisal of the borrower and his integrity in functioning with the group. In periodic meetings of the groups the internal loan requests of the respondents are considered. The details about internal lending practices of the respondents are presented in the table 4.

Table-4: State wise Distribution of the Sample Respondents by the Internal Lending among SHG Members

Internal Lending	Name of the State			Total Number of Respondents
	Andhra Pradesh	Tamil Nadu	Telangana	
Practiced in the SHG	288 96.0	285 95.0	268 89.3	841 93.4
Not Practiced	12 4.0	15 5.0	32 10.7	59 6.6
Total	300 100.0	300 100.0	300 100.0	900 100.0

Source: Primary Data. **Note:** Figures in parentheses are row percentages to the total.

The table 4, provides information about the practice of internal lending within Self-Help Groups SHGs in three Indian states. Internal Lending categorizes the respondents into two groups based on whether they practice internal lending within their SHGs or not. The two categories are "Practiced in the SHG" and "Not Practiced." Total Number of Respondents presents the total count of respondents in each category of internal lending, both for each state and overall.

In Andhra Pradesh, a significant majority of respondents, 96.0 per cent, have indicated that they practice internal lending within their SHGs. A smaller proportion 4.0 per cent, respondents mentioned that they do not practice internal lending across the state.

In Tamil Nadu, a similar trend is observed, with a high number of 95.0 per cent respondents practicing internal lending within their SHGs. A smaller group, accounting for 5.0 per cent, stated that they do not practice internal lending across the state.

In Telangana, again, the majority of 89.3 per cent respondents engage in internal lending as part of their SHG activities. A smaller subset of respondents, 10.7 per cent, reported that they do not practice internal lending across the state.

In total, out of 900 sample respondents across all three states, the total number of respondents who practice internal lending within their SHGs is accounting for 93.4 per cent

of the total respondents and Respondents who do not practice internal lending representing 6.6 per cent of the total across all the three states.

II.5 SHG-BANK LINKAGE: Under SHG Bank Linkage Programme SHGs usually acquire the first linkage between six months to one year. As the SHG experience increases, the number of linkages also increases. In the above table 5, presents data related to the distribution of respondents across three Indian states. Name of the State column lists the names of the three states under consideration. Total Number of Respondents represents the count of respondents from each state. Total provides the total number of respondents for each state and the overall total across all states. In Andhra Pradesh, 5 Bank Linkage holds the highest respondents accounting for a total of 54.7 per cent respondents. Followed by, 6 Bank Linkage making up 26.3 per cent and Lastly, 4 bank Linkages making up 19 per cent across the state.

In Tamil Nadu, 5 Bank Linkage holds the highest respondents accounting for a total of 44.7 per cent respondents. Followed by, 6 Bank Linkage making up 28.7 per cent and lastly, 4 bank Linkages making up 26.7 per cent across the state.

Table-5: State wise Distribution of the Sample Respondents by Bank Linkage Pattern

Bank Linkage	Name of the State			Total Number of Respondents
	Andhra Pradesh	Tamil Nadu	Telangana	
4.00	57 19.0	80 26.7	116 38.7	253 28.1
5.00	164 54.7	134 44.7	137 45.7	435 48.3
6.00	79 26.3	86 28.7	47 15.7	212 23.6
Total	300 100.0	300 100.0	300 100.0	900 100.0

**Row percentages.Column percentages Source: Primary Data. Note: Figures in parentheses are percentages to total.*

In Telangana, 5 Bank Linkage holds the highest respondents accounting for a total of 45.7 per cent respondents. Followed by, 4 Bank Linkage making up 38.7 per cent and lastly, 6 bank Linkages making up 15.7 per cent across the state.

In total, out of 900 sample respondents across all three states, 5 Bank Linkage holds the highest respondents accounting for a total of 48.3 per cent respondents. Followed by, 4

Bank Linkage making up 28.1 per cent and lastly, 6 bank Linkages making up 23.6 per cent across all the states.

II.6 AMOUNT OF BANK LOAN

This table 6, provides information on the range of current bank loan amounts held by respondents in three states. It consists of three main data attributes, Range of Current Bank Loan Amount in Rupees categorizes respondents based on the amount of their current bank loans. It is divided into four categories: below Rs.15000, Rs.15000 to 30000, Rs.30000 to 45000, and Above Rs.45000. Total Number of Respondents represents the total count of respondents falling into each loan amount range in each state is provided. Additionally, the percentage of respondents in each category is given within parentheses.

In Andhra Pradesh, The majority of respondents fall into the Rs.15000 to 30000 range, accounting for 50.3 per cent of the total. Followed by, below Rs.15000 range includes 33.3 per cent. Rs.30000 to 45000 making up 14 per cent. Lastly, Above Rs.45000 has the lowest respondents with 2.3 per cent respondents have loans across the state.

In Tamil Nadu, the highest number of respondents are in the Rs.15000 to 30000 range with 37.0 per cent. Followed by, below Rs.15000 range making up 33.7 per cent. The Rs.30000 to 45000 range has 27.7 per cent individuals. Lastly, a very small number of respondents, just 1.7 per cent, have loans Above Rs.45000 across the state.

Table-6: State wise Distribution of Amount to the Sample Respondents by Bank Linkage

Range of Current Bank Loan Amount in Rupees	Name of the State			Total Number of Respondents
	Andhra Pradesh	Tamil Nadu	Telangana	
below Rs.15000	100 33.3	101 33.7	41 13.7	242 26.9
Rs.15000 to 30000	151 50.3	111 37.0	108 36.0	370 41.1
Rs.30000 to 45000	42 14.0	83 27.7	148 49.3	273 30.3
Above Rs.45000	7 2.3	5 1.7	3 1.0	15 1.7
Total	300 100.0	300 100.0	300 100.0	900 100.0

*Row percentages. Column percentages *Source: Primary Data. Note: Figures in parentheses are percentages to total.*

In Telangana, the Rs.30000 to 45000 range has the most respondents, with 49.3 per cent, making it the largest group. The Rs.15000 to 30000 range follows with 36.0 per cent respondents. The below Rs.15000 category includes 13.7 per cent respondents. Lastly, Above Rs.45000 has the lowest respondents 1.0 per cent have loans across the state

In total, out of 900 sample respondents across all three states, the highest number of respondents are in the Rs.15000 to 30000 range with 41.1 per cent. Followed by, the Rs.30000 to 45000 range has 30.3 per cent individuals. below Rs.15000 range making up 26.9 per cent. Lastly, Above Rs.45000 has a very small number of respondents, just 1.7 per cent, have loans across all the states.

II.7 UTILIZATION OF THE BANK LOAN: The utilization of the bank loan is an important factor for alleviation of poverty of the members of SHG. The utilization pattern of the respondents in the study area is explained in the table 7

Table – 7: State wise Distribution of the Sample Respondents by the Utilization Pattern of Bank Loan

Utilization Pattern of Bank Loan	Name of the State			Total Number of Respondents
	Andhra Pradesh	Tamil Nadu	Telangana	
investment	157 52.3	155 51.7	171 57.0	483 53.7
consumption	113 37.7	84 28.0	30 10.0	227 25.2
Investment and consumption	6 2.0	5 1.7	16 5.3	27 3.0
loan repayment	24 8.0	56 18.7	83 27.7	163 18.1
Total	300 100.0	300 100.0	300 100.0	900 100.0

* Column percentages **Source:** Primary Data. **Note:** Figures in parentheses are percentages to total.

This table 7 provides insights into how respondents from the three states utilized their bank loans. It consists of four main data attributes, Utilization Pattern of Bank Loan categorizes respondents based on how they utilized their bank loans. It also includes four categories investment, consumption, investment and consumption, and loan repayment. Total Number of Respondents represents the total count of respondents falling into each loan utilization category in each state is provided.

In Andhra Pradesh, a majority of respondents utilized their bank loans for investment purposes., accounting for 52.3 per cent, Followed by, significant proportion of respondents in this state, used their loans for consumption 37.7 per cent respondents. loan repayment making up 8.0 per cent. Lastly, investment and consumption has the lowest representation 2.0 per cent respondents across the state.

In Tamil Nadu, a majority of respondents utilized their bank loans for investment purposes, accounting for 51.7 per cent, Followed by, significant proportion of respondents in this state, used their loans for consumption 28 per cent respondents. loan repayment making up 18.7 per cent. Lastly, investment and consumption has the lowest representation 1.7 per cent respondents across the state.

In Telangana, a majority of respondents utilized their bank loans for investment purposes, accounting for 57.0 per cent, Followed by, loan repayment making up 27.7 per cent. Consumption accounting for 10 per cent respondents. Lastly, investment and consumption has the lowest representation 5.3 per cent respondents across the state.

In total, out of 900 sample respondents across all three states, a majority of respondents utilized their bank loans for investment purposes, accounting for 53.7 per cent, followed by, significant proportion of respondents in this state, used their loans for consumption 25.2 per cent respondents. loan repayment making up 18.1 per cent. Lastly, investment and consumption has the lowest representation 3 per cent respondents across all the states.

II.8 OUTSTANDING AMOUNT OF SHG BANK LOAN

The state wise distribution of respondents according to outstanding amount is explained in the table 8. It provides information about the outstanding bank loan amounts held by respondents in three. Bank Loan Outstanding in Rupees categorizes respondents based on the range of outstanding loan amounts, which include Fully paid, Rs.5000 to 15000, Rs.15000 to 30000, Rs.30000 to 45000, Above Rs.45000, and Below Rs.5000. Total Number of Respondents provides the count of respondents within each loan outstanding category in each state.

Table-8: State wise Distribution of the Sample Respondents by Amount of SHG Bank Loan Outstanding

Bank Loan Outstanding in Rupees	Name of the State			Total Number of Respondents
	Andhra Pradesh	Tamil Nadu	Telangana	
Fully paid	34 11.3	45 15.0	17 5.7	96 10.7
Rs.5000 to 15000	97 32.3	46 15.3	33 11.0	176 19.6
Rs.15000 to 30000	91 30.3	107 35.7	159 53.0	357 39.7
Rs.30000 to 45000	21 7.0	42 14.0	66 22.0	129 14.3
Above Rs.45000	2 0.7	2 0.7	0 0.0	4 0.4
Below Rs. 5000	55 18.3	58 19.3	25 8.3	138 15.3
Total	300 100.0	300 100.0	300 100.0	900 100.0

* Column percentages *Source: Primary Data. Note: Figures in parentheses are percentages to total.*

In Andhra Pradesh, the majority of respondents have loans falling within the Rs.5000 to 15000 range, accounting for 32.3 per cent in this category. Followed by, Rs.15000 to 30000 range making up 30.3 per cent. Below Rs.5000 individuals accounting for 18.3 per cent. Fully paid loans are held by 11.3 per cent respondents. Rs.30000 to 45000 loans are held by 7.0 per cent individuals. Loans above Rs.45000 are the least common, with only 0.7 per cent respondents across the state.

This table 8, provides information about the outstanding bank loan amounts held by respondents in three. Bank Loan Outstanding in Rupees categorizes respondents based on the range of outstanding loan amounts, which include Fully paid, Rs.5000 to 15000, Rs.15000 to 30000, Rs.30000 to 45000, Above Rs.45000, and Below Rs.5000. Total Number of Respondents provides the count of respondents within each loan outstanding category in each state.

In Andhra Pradesh, the majority of respondents have loans falling within the Rs.5000 to 15000 range, accounting for 32.3 per cent in this category. Followed by, Rs.15000 to 30000 range making up 30.3 per cent. Below Rs.5000 individuals accounting for 18.3 per cent. Fully paid loans are held by 11.3 per cent respondents. Rs.30000 to 45000 loans are held by 7.0 per cent individuals. Loans above Rs.45000 are the least common, with only 0.7 per cent respondents across the state.

In Tamil Nadu, the majority of respondents have loans falling within the Rs.15000 to 30000 range, accounting for 35.7 per cent in this category. Followed by, Below Rs.5000 individuals accounting for 19.3 per cent. Rs.5000 to 15000 range making up 15.3 per cent. Fully paid loans are held by 15 per cent respondents. Rs.30000 to 45000 loans are held by 14 per cent individuals. Loans above Rs.45000 are the least common, with only 0.7 per cent respondents across the state.

In Telangana, the majority of respondents have loans falling within the Rs.15000 to 30000 range, accounting for 53 per cent in this category. Followed by, Rs.30000 to 45000 loans are held by 22 per cent individuals. Rs.5000 to 15000 range making up 11 per cent. Below Rs.5000 individuals accounting for 8.3 per cent. Fully paid loans are held by 5.7 per cent respondents. Loans above Rs.45000 are the least common, with only 0.0 per cent respondents across the state.

In total, out of 900 sample respondents across all three states, the majority of respondents have loans falling within the Rs.15000 to 30000 range, accounting for 39.7 per cent in this category. Followed by, Rs.5000 to 15000 range making up 19.6 per cent. Below Rs.5000 individuals accounting for 15.3 per cent respondents. Rs.30000 to 45000 loans are held by 14.3 per cent individuals. Fully paid loans are held by 10.7 per cent respondents. Loans above Rs.45000 are the least common, with only 0.4 per cent respondents across all the states.

III FINDINGS AND CONCLUSIONS: Finally the results shows that there is still improper functioning and utilization of funds among the sample states and there is a dearth need to focus on the management of SHGs in the study area. Loan amount is not utilized for the taken purpose and not utilized for the income generating activities. But the internal lending practice and savings pattern are well functioning among the study area.

IV SUGGESTIONS

- Strict supervision should be maintained by the concerned officials of the SHG programme in respect of eliminate the evils such as inactivity, improper utilization of fund

and motivating the members towards the proper utilization of finance for productive purpose and also to avoid diversion of funds for other purposes.

- Associations of women entrepreneurs may be formed with a view to provide them a platform to exchange information about the problems and performance and to draw the attention of the government to the problems.
- Government is implementing various sub-schemes of assistance under the SHG programme, policy makers must see that whether it reaches to women properly.
- Supervision should strengthen over the working of SHGs and their federations in various levels to make SHG-bank linkage programme effective and sustainable.

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