



Financial Activities of Cooperative Banks towards SHGs of West Bengal

Mithun Das*

Abstract:

The prosperity of a nation lies on the factor of inclusive growth and eradication of social as well as financial inequalities. In order to alleviate poverty and empower women, National Bank for Agriculture and Rural Development (NABARD) initiated the concept of Self- Help Group (SHG) in mid-80's and in 1992 started Self- Help Group Bank Linkage Programme (SBLP) to link the SHGs with banks to provide financial assistance at an affordable cost. At present this programme is considered as the largest microfinance movement of the world. Cooperative Banks are one of the major banking agencies of our country and are playing very important role in rural economy since long before independence. These banks are performing different financial activities towards SHGs as part of SBLP in all over India. In this paper an attempt is made to observe the financial activities of cooperative banks of West Bengal towards SHGs in last few years. The study reveals that average savings of the SHGs have been increased though the number of SHGs linked with savings account has been decreased during the study period. The number of SHGs obtained loan as well as the amount of loan per SHG has been increased significantly during the same period. The overall recovery rate of outstanding loan is also better compared to national level. The study concludes that the cooperative banks are providing financial assistance to SHGs quite satisfactorily and are performing a vital role in rural economy of West Bengal.

Keywords: NABARD, SHGs, Cooperative Banks, SBLP, Microfinance, Rural Economy

*Assistant Professor, Department of Commerce

Bagnan College, Bagnan, Howrah

Introduction:

Ban Ki-Moon, the eighth Secretary General of the United Nations once said, "saving our planet, lifting people out of poverty, advancing economic growth...these are one and the same fight." A nation can prosper only when there is inclusive growth and social as well as financial inequalities are eradicated. Unfortunately, we are far behind to achieve this goal still now. In true sense, we are facing the malediction of poverty even after 73 years of our independence. As per the 'Handbook of statistics on Indian Economy 2019-20' released by Reserve Bank of India, there were 26.97 crore people below poverty line in India which was 21.92% of total population in 2011-12 out of which 21.66 crore



(25.70%) people were from rural areas and 5.31 crore (13.70%) people were from urban areas.

An integral strategy of a successful poverty alleviation program is to secure access to finance for poor households. To this end, in early 1980s India saw vast changes to rural policy under the patronage of National Bank for Agriculture and Rural Development (NABARD). The movement led to the formation of self-help groups (SHG)—an informal association of 10 to 12 persons having homogeneous socio-economic background coming from small contiguous area, to operate on the principle of self-help, solidarity and mutual interest. They are encouraged to make equal and regular contributions towards a common fund to be used to lend to members in times of need. These groups are given the freedom of charging interest from their members at the rate as decided by the group consensus. Recovery is to be a mechanism of peer pressure. This process helped the SHG members absorb the essentials of financial intermediation, including prioritization of needs, setting terms and conditions and maintaining books of accounts. With the passage of time, the activities of SHGs continued to expand and their own funds became insufficient to meet the financial need of the group. As a result, the groups started to explore different external sources to satisfy their financial demands.

In this context, NABARD has started SHG Bank Linkage Programme with 225 credit linked groups and with a loan of ₹29 lakhs in 1992 to give financial assistance to the SHGs. At present it is considered as the world's largest microfinance movement. As on 31st March, 2020 more than 12.4 crore households are attached with the activities under SHG and more than 102 lakh SHGs are linked with banks through savings account with total savings deposit of more than ₹26152 crore. Loan was disbursed to more than 31 lakh SHGs during the financial year 2019-20 and total amount loan disbursement was more than ₹77659 crores. As on 31st March, 2020 total amount of outstanding loan was more than ₹108075 crores from more than 56 lakh SHGs.

Along with public sector banks, private sector banks and regional rural banks, cooperative banks are also partnering this SHG bank linkage programme and are providing financial assistance to the SHGs across the country. A Co-operative bank is a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. Co-operative banks in India are registered under the State's Cooperative Societies Act. The Co-operative banks are also regulated by the Reserve Bank of India (RBI) and governed by the Banking Regulations Act 1949 and Banking Laws (Co-operative Societies) Act, 1955. In rural India there exists a three-tier short term rural cooperative



structure. Tier I include State Cooperative Banks (STCBs) which operate at the apex level in states, Tier II includes District Central Cooperative Banks (DCCBs) which operate at the district levels and Tier III includes Primary Agricultural Credit Societies (PACS) which operate at the village or grass-root level. As per the latest information available, there are 33 STCBs, 363 DCCBs and 95238 PACS are operating in India. These banks are playing a very vital role in rural economy of our country.

Review of Literature

Abhijit Banerjee et. al. (2009) in their working paper entitled 'The Miracle of Microfinance? Evidence from a randomized evaluation' made a study on the impact of micro credit on the 52 randomly selected slums of Hyderabad city of Andhra Pradesh State, where the microcredit programme was introduced and they found that micro credit allows households to borrow, invest, create and expand business.

Reddy C. S. and Sandeep Manak (2005) studied 400 selected SHGs in Andhra Pradesh. They concluded that SHGs are promising and proving to be an effective method of poverty reduction. The impact of women's empowerment and social security has been invariably improved. The status of women has generally improved as they have developed stronger confidence which has changed gender dynamics.

Thankon Arun, Katsushi Imai and Frances Sinha (2006) in their paper entitled 'Does the Microfinance Reduce Poverty in India? Propensity Score Matching based on a National level Household Data' analysed the effect of microfinance institutions including SHGs on poverty reduction of households. The result of their study implies that monitoring the use of loans as well as increasing the productivities is particularly important in helping the poor escaping from poverty and protecting them from various shocks.

Dr. A. A. Annapurna (2017) in his paper entitled 'SHG- Bank Linkage Programme: An Indian Perspective', concluded that mutual benefit for banks as well as SHGs is the core theme for the successful implementation of the programme. The pace of growth in SHG- BLP needs to be accelerated in North and North-Eastern region to extend the outreach of the programme throughout the country.

Uma Narang (2012), in her article entitled 'Impact of Self- Help Groups Bank Linkage Programme in India' opined that SHGs play a major role in poverty alleviation in rural India and has proved to be relevant in offering women the possibility to gradually break away from the exploitation and isolation in India.

G. Kotreshwar and Yadunandan H. C (2014) in their paper entitled 'bank performance to help the



development of Self- Help Groups (SHGs) made an attempt to access the role of SHGs in microfinance and to access the progress made under SHG-Bank-Linkage programme. They found that SBLP inspires the members to inculcate the habit of savings, contributed a lot towards the empowerment of rural women by creating the awareness of thrift, mutual confidence and self-reliance and has been instrumental in augmenting the earning capacity of the rural poor by undertaking multiple income generating activities and thereby higher volumes of savings from rural areas could be achieved.

Present Scenario SHGs linked with Cooperative Banks in West Bengal

The cooperative banks are government backed financial institutions that work on the principle of cooperation, self-help and mutual help. Self- Help Groups (SHGs) that are operating mainly in rural areas, avail financial assistance from cooperative banks along with other agencies across the country as well as in West Bengal. At present 17 District Central Cooperative Banks (DCCBs) are operating in West Bengal along with West Bengal State Cooperative Bank (STCB). These are Balageria CCB Ltd (Head Office at Purba Medinipur), Bankura DCCB Ltd, Birbhum DCCB Ltd, The Burdwan CCB Ltd, Dakshin Dinajpur DCCB Ltd, Darjeeling DCCB Ltd, Hooghly DCCB Ltd, Howrah DCCB Ltd, Jalpaiguri CCB Ltd, Mugberia CCB Ltd (Head Office at Purba Medinipur), Murshidabad DCCB Ltd, Nadia DCCB Ltd, Purulia CCB Ltd, Raiganj CCB Ltd (Head Office at Raiganj, Urrar Dinajpur), Tamluk- Ghatal CCB Ltd (Head Office at Tamluk, Purba Medinipur) and Vidyasagar CCB Ltd (Head Office at Midnapur Town, Paschim Medinipur).

As per latest data available, nearly 18 lakh members are attached with more than 1.90 lakh SHGs which are linked with savings accounts of DCCBs and STCB of West Bengal. Total amount stands credit to their savings account as on 31st March, 2020 is more than ₹588 crores. Nearly 95% of these SHGs are exclusively run by the women. Nearly 89 thousand SHGs were disbursed loan by the DCCBs and STCB of West Bengal which is more than 46% of the total SHGs inked with savings account and the total amount of loan disbursement is more than ₹123 crores as on 31st March, 2020.

Objectives of the Study:

The objectives of the present paper are to observe-

1. The number of SHGs linked with DCCBs and STCB through savings account in West Bengal and involvement of total amount during the study period.



2. The number of SHGs that have availed loan from DCCBs and STCB of West Bengal and the amount of loan disbursement during the study period.
3. The amount of Non-Performing Asset (NPA) generated out of the disbursed loan during the study period.

Research Methodology:

The present paper is done on the basis of secondary data only. A report entitled ‘Status of Microfinance in India’ is published by NABARD every year. The data used in this paper is mainly collected from the said report. In the present paper the period from 2014-15 to 2019-20 is considered as study period and the data of the same period has been used for presentation and analysis purpose. Simple statistical tools have been used for analysis of data. It is to be further mentioned that no data of Birbhum DCCB was available in the financial year 2017-18 (Status of Microfinance in India 2017-18).

Presentation of Data and its Analysis:

TABLE 1:

Overall Financial Status of Co-Operative Banks towards SHGs in West Bengal during the Study Period

(Amount are in □ Lakh)

Year	No. of SHGs having SB Account	Savings Amount	No of SHGs to whom Loan is disbursed	Amount of Loan Disbursed during the year	Amount of O/S Loan	Amount of NPA	% of NPA on O/S Loan
2014-15	329597	58647.60	60249	88987.92	75251.31	3418.74	4.54
2015-16	364525	65671.45	99641	62446.50	90392.67	4246.77	4.7
2016-17	372436	82194.73	109170	80790.74	102455.66	5271.63	5.15
2017-18	194156	49524.74	68544	63953.81	71662.41	3587.40	5.01
2018-19	214842	60221.49	97535	98628.70	98706.21	5789.84	5.87
2019-20	191965	58878.62	88954	101344.64	122065.79	6225.89	5.10
Increase/Decrease	-137632	231.02	28705	12356.72	46814.48	2807.15	0.56
% of Increase/Decrease	-41.76%	0.39%	47.64%	13.89%	62.21%	82.11%	

(Data Source: Status of Microfinance in India 2014-15 to 2019-20)

The above table represents the financial status of cooperative banks towards SHGs in West Bengal during the study period. From the table it is found that the number of SHGs having savings accounts in cooperative banks has been decreased from 329597 to 191965 resulting a net reduction of 137632 (41.76%), but at the same time amount credited in savings account has been increased from □ 58647.60



lakh to □ 58878.62 lakh resulting a net increment of □ 231.02 lakh (0.39%). According to ‘Status of Microfinance in India 2019-20’, the decline in number of savings accounts of SHGs is mainly due to data sanitisation, closure of dormant accounts, reporting errors and shifting of linkage through business correspondents. The table further shows that the number of SHGs to whom loan is provided has been increased from 60249 to 88954 resulting a net increment of 28705 (47.64%) and loan amount disbursed during the financial year has been increased from □ 88987.92 lakh to □ 101344.64 lakh, resulting a net increment of □ 12356.72 lakh (13.89%) during the same period. Amount of outstanding loan has been increased by □ 46814.48 lakh and amount of NPA has been increased by □ 2807.15 lakh during the study period.

TABLE 2:

No. of SHGs linked through Savings Account of DCCBs and STCB of West Bengal

Bank Name	as on 31/03/2015	as on 31/03/2016	as on 31/03/017	as on 31/03/2018	as on 31/03/2019	as on 31/03/2020	Increase/ Decrease	% change
Balageria CCB Ltd.	0	2895	1831	3175	3662	3920	3920	-
Bankura DCCB Ltd.	16173	16628	16971	17189	17531	17856	1683	10.41
Birbhum DCCB Ltd.	0	0	3302	-	3304	3304	3304	-
Burdwan CCB Ltd.	324	12571	12507	12040	12224	11602	11278	3480.86
Darjeeling DCCB Ltd.	632	621	348	336	544	470	-162	-25.63
Dakshin Dinajpur DCCB Ltd.	2734	2758	1879	1594	1945	2966	232	8.49
Hooghly DCCB Ltd.	26085	26487	25971	27431	28958	30088	4003	15.35
Howrah DCCB Ltd.	7092	7322	6580	8370	9092	9546	2454	34.60
Jalpaiguri CCB Ltd.	2731	2731	2731	3277	3528	2424	-307	-11.24
Malda DCCB Ltd.	19295	19977	20608	14397	13772	7170	-12125	-62.84
Mugberia CCB Ltd.	6993	7294	7658	7751	8225	8480	1487	21.26
Murshidabad DCCB Ltd.	14909	15866	15425	16190	19389	21035	6126	41.09
Nadia DCCB Ltd.	22682	26820	29691	32250	36022	38700	16018	70.62
Purulia CCB Ltd.	0	5389	5587	5319	5426	4921	4921	-
Raiganj CCB Ltd.	7973	8929	8440	8498	8530	8558	585	7.34
Tamluk- Ghatal CCB Ltd.	7833	8347	9483	9587	12699	14813	6980	89.11
Vidyasagar CCB Ltd.	6290	6682	4137	5001	5847	6112	-178	-2.83
West Bengal STCB Ltd	187851	193208	199287	21751	24144	0	-187851	-100.00
Total	329597	364525	372436	194156	214842	191965	137632	-41.76

(Data Source: Status of Microfinance in India 2014-15 to 2019-20)

The above table represents the number of SHGs linked through savings account with cooperative banks



of West Bengal. the table shows that there is an overall decrease of 137632 SHGs which were linked with cooperative banks through savings account operating in west Bengal during the study period. The maximum reduction is found in West Bengal STCB Ltd where the number of SHGs linked through savings account has been decreased from 187851 to nil during the study period. But this decrement was not uniform throughout the study period. It was increased to 199287 at the end of March 2017, but reduced to nil thereafter. Malda DCCB Ltd has also faced a sharp reduction of 12125 SHGs linked with savings account followed by Jalpaiguri CCB Ltd (307 SHGs) during the study period. On the other hand, Nadia DCCB has registered highest increment in number of SHGs linked with savings account (16018 SHGs) followed by Burdwan CCB Ltd (11278 SHGs) and Tamluk- Ghatal CCB Ltd (6980 SHGs) during the same period. According to 'Status of Microfinance in India 2019-20', the decline in number of savings accounts of SHGs is mainly due to data sanitisation, closure of dormant accounts, reporting errors and shifting of linkage through business correspondents.

TABLE 3:

Total Amount Stands Credit in Savings Accounts of SHGs in DCCBs and STCB of West Bengal

(Amount are in ₹ Lakh)

Bank Name	31-03-2015	31-03-2016	31-03-2017	31-03-2018	31-03-2019	31-03-2020	Increase/Decrease	% change
Balageria CCB Ltd.	0	617.27	108.07	200.58	14.48	132.33	132.33	-
Bankura DCCB Ltd.	2304.26	2648.45	3075.76	3448.60	3778.85	4032.83	1728.57	75.02
Birbhum DCCB Ltd.	0	0	343.44	-	95.45	95.90	95.90	-
Burdwan CCB Ltd.	92.28	1663.04	1723.28	1825.85	1964.76	1945.41	1853.13	2008.16
Darjeeling DCCB Ltd.	93.80	117.51	171.70	93.18	148.05	178.84	85.04	90.66
Dakshin Dinajpur DCCB Ltd.	366.42	385.16	417.79	486.24	599.56	686.80	320.38	87.44
Hooghly DCCB Ltd.	3803.00	4637.58	5378.3	6341.00	7750.32	9476.46	5673.46	149.18
Howrah DCCB Ltd.	1370.31	1426.67	2110.51	2166.15	2706.57	3140.72	1770.41	129.20
Jalpaiguri CCB Ltd.	278.21	301.15	278.32	333.99	381.21	640.08	361.87	130.07
Malda DCCB Ltd.	2111.79	2517.72	2475.34	3269.88	3509.23	523.43	-1588.36	-75.21
Mugberia CCB Ltd.	1389.80	1685.82	2251.54	2555.87	3374.3	3292.20	1902.40	136.88
Murshidabad DCCB Ltd.	3006.64	3353.30	3990.77	4504.40	4856.25	6546.25	3539.61	117.73
Nadia DCCB Ltd.	4389.53	7474.95	8959.09	11613.89	14461.44	18206.35	13816.82	314.77
Purulia CCB Ltd.	0	592.36	619.60	635.50	661.80	728.35	728.35	-
Raiganj CCB Ltd.	7973.00	1145.20	1038.37	1228.04	1550.40	1688.37	-6284.63	-78.82
Tamluk-Ghatal CCB Ltd.	1353.10	1661.62	2526.23	2739.84	3421.46	5377.66	4024.56	297.43
Vidyasagar CCB Ltd.	1512.05	1781.51	4137.00	1305.21	2161.73	2137.87	625.82	41.39
West Bengal STCB Ltd	28603.41	33752.14	42589.62	6776.52	8785.63	48.77	-28554.64	-99.83
Total	58647.60	65761.45	82194.73	49524.74	60221.49	58878.62	231.02	0.39

(Data Source: Status of Microfinance in India 2014-15 to 2019-20)

The above table represents the amount stands credit in the savings accounts of SHGs under cooperative banks of West Bengal. The table depicts that total amount of savings has been increased by only 0.39%



during the study period. Nadia DCCB has registered maximum growth in amount of savings with ₹13816.82 lakh followed by Hooghly DCCB (₹5673.46 lakh) and Tamluk- Ghatal CCB (₹4024.56 lakh). Burdwan CCB has registered highest growth in percentage form (2008.16%) during the same period. On the other hand, West Bengal STCB has faced highest reduction in amount of savings during the study period with ₹28554.63 lakh followed by Raiganj CCB (₹6284.63 lakh) and Malda DCCB (₹1588.36 Lakh).

TABLE 4:

Number of SHGs to whom Loan is disbursed during the year and its percentage on SHGs linked with Savings account in DCCBs and STCB of West Bengal

Bank Name	31-03-2015		31-03-2016		31-03-2017		31-03-2018		31-03-2019		31-03-2020		Increase/Decrease	% change
	No. of SHGs	%	No. of SHGs	%	No. of SHGs	%	No. of SHGs	%	No. of SHGs	%	No. of SHGs	%		
Balageria CCB Ltd.	0	0	491	17	478	26	1480	47	578	16	787	20	787	-
Bankura DCCB Ltd.	3472	21	12018	72	2912	17	2853	17	2332	13	2545	14	-927	-26.70
Birbhum DCCB Ltd.	0	0	0	0	14	0.42			12	0.4	30	1	30	-
Burdwan CCB Ltd.	86	27	41	0.3	641	5	904	8	870	7	1236	11	1150	1337.21
Darjeeling DCCB Ltd.	7	1	12	2	38	11	8	2	10	2	8	2	1	14.29
Dakshin Dinajpur DCCB Ltd.	95	3	28	1	222	12	353	22	540	28	819	28	724	762.11
Hooghly DCCB Ltd.	9731	37	10306	39	8577	33	10589	39	13914	48	16543	55	6812	70.00
Howrah DCCB Ltd.	2606	37	2713	37	2668	41	4724	56	3693	41	3257	34	651	24.98
Jalpaiguri CCB Ltd.	2273	83	2273	83	807	30	87	3	63	2	18	1	-2255	-99.21
Malda DCCB Ltd.	3483	18	3132	16	2833	14	3267	23	3746	27	3935	55	452	12.98
Mugberia CCB Ltd.	3125	45	3012	41	5640	74	3546	46	4100	50	5479	65	2354	75.33
Murshidabad DCCB Ltd.	11724	79	3821	24	3146	20	4294	27	5460	28	6908	33	-4816	-41.08
Nadia DCCB Ltd.	1294	6	2486	9	24207	82	12905	40	26800	74	30761	79	29467	2277.20
Purulia CCB Ltd.	0	0	587	11	129	2	105	2	114	2	161	3	161	-
Raiganj CCB Ltd.	826	10	1073	12	1705	20	1452	17	1363	16	1344	16	518	62.71
Tamluk-Ghatal CCB Ltd.	5817	74	1366	16	458	5	2316	24	7518	59	7961	54	2144	36.86
Vidyasagar CCB Ltd.	1098	17	1175	18	2214	54	3356	67	3785	65	5060	83	3962	360.84
West Bengal STCB Ltd	14612	8	55107	29	52481	26	16305	75	22637	94	2102		-12510	-85.61
Total	60249	18	99641	27	109170	29	68544	35	97535	45	88954	46	28705	47.64

(Data Source: Status of Microfinance in India 2014-15 to 2019-20)

The above table represents the number of SGHs to whom loan is disbursed during the years under study and its percentage on number of SHGs linked with savings account under respective cooperative banks operating in West Bengal. the table shows that total number of SHGs which have obtained loan from



different cooperative banks have been increased from 60249 to 88954 during the study period resulting a net increment of 28705 SHGs (47.64%). But this number has not been increased uniformly. It has increased sharply at the end of financial year 2016 and 2019 whereas it has decreased sharply at the end of financial year 2018. The table further shows that only 18% SHGs having savings account obtained loan at the beginning of the study period which has been increased to 46% at the end of the study period with a constant upward trend throughout the study period. Nadia DCCB registered highest increment in number of SHGs to which loan were disbursed (29467 SHGs) followed by Hooghly DCCB (6812 SHGs) and Vidyasagar CCB (3962 SHGs). West Bengal STCB suffered highest decline (12510 SHGs) followed by Murshidabad DCCB (4816 SHGs) and Jalpaiguri CCB (2255 SHGs) during the same period. Nadia DCCB registered highest growth in percentage form (2277%) followed by Burdwan CCB (1337%) and Dakshin Dinajpur DCCB (762%). At the end of 31st March, 2020, 83% of the SHGs of Vidyasagar CCB which are linked through savings account are disbursed loan which is the highest among all the cooperative banks operating in West Bengal followed by Nadia DCCB (79%) and Mugberia CCB (65%).

TABLE 5: Amount of Loan disbursed to SHGs by DCCBs and STCB of West Bengal during each year of the Study Period

(Amount are in ₹ Lakh)

Bank Name	31-03-2015	31-03-2016	31-03-2017	31-03-2018	31-03-2019	31-03-2020	Increase/Decrease	% change
Balageria CCB Ltd..	0	530.51	482.28	1725.48	823.38	1225.38	1225.38	-
Bankura DCCB Ltd.	2737.75	7787.36	2638.46	3189.27	2985.21	3326.28	588.53	21.50
Birbhum DCCB Ltd.	0	0	18.41	-	12.03	52.49	52.49	-
Burdwan CCB Ltd.	44.95	36.08	650.26	837.46	887.11	1102.97	1058.02	2353.77
Darjeeling DCCB Ltd.	6.25	12.84	26.17	24.60	32.00	15.60	9.35	149.60
Dakshin Dinajpur DCCB Ltd.	98.10	18.10	139.89	287.56	608.02	819.00	720.90	734.86
Hoogly DCCB Ltd.	3563.55	4185.93	4514.82	9985.21	12440.12	16509.65	12946.10	363.29
Howrah DCCB Ltd.	1249.90	1631.33	1879.00	3546.21	4568.14	4667.24	3417.34	273.41
Jalpaiguri CCB Ltd.	65.93	37.50	50.76	87.49	117.88	20.39	-45.54	-69.07
Malda DCCB Ltd.	1450.54	1884.88	1776.38	3527.86	4982.42	5784.41	4333.87	298.78
Mugberia CCB Ltd.	1979.96	2676.09	3102.72	4233.60	5609.72	6057.29	4077.33	205.93
Murshidabad DCCB Ltd.	3949.61	3625.04	3884.42	5318.65	8530.67	8778.84	4829.23	122.27
Nadia DCCB Ltd.	3421.56	745.80	15013.64	12756.52	29531.64	32467.46	29045.90	848.91
Purulia CCB Ltd.	0	170.95	30.94	191.52	234.88	234.25	234.25	-
Raiganj CCB Ltd.	497.60	762.01	1767.73	2445.15	2802.94	3199.48	2701.88	542.98
Tamluk-Ghatal CCB Ltd.	2806.18	282.45	375.34	2422.46	10500.47	8103.00	5296.82	188.76
Vidyasagar CCB Ltd.	1141.01	1660.27	1825.54	3128.85	4882.57	6771.05	5630.04	493.43
West Bengal STCB Ltd	32464.15	36399.36	42613.98	10245.92	9079.50	2209.86	-30254.30	-93.19
Total	55477.04	62446.50	80790.74	63953.81	98628.70	101344.64	45867.60	82.68

(Data Source: Status of Microfinance in India 2014-15 to 2019-20)



The above table represents the amount of loan disbursement to the SHGs by the cooperative banks operating in West Bengal at the end of each financial year during the study period. The table reveals that amount of loan disbursement by the cooperative banks has been increased from ₹55477.04 lakh to ₹101344.64 lakh during the study period resulting a net increment of ₹45867.60 lakh (82.68%). Nadia DCCB has disbursed highest amount of loan to SHGs at the end of the financial year 2019-20 (₹32467.46 lakh) followed by Hooghly DCCB (₹16509.65 lakh) and Murshidabad DCCB (₹8778.84 lakh). Burdwan CCB has registered the highest growth in in loan disbursement in percentage form during the study period (2354%) followed by Nadia DCCB (849%) and Dakshin Dinajpur DCCB (735%). West Bengal STCB has registered highest decline in terms of annual disbursement of loan during the study period which is ₹30254.30 lakh (93%) followed by Jalpaiguri CCB at ₹45.54 lakh (69%).

TABLE 6: Amount of Loan Outstanding by SHGs to DCCBs and STCB of West Bengal during each year of the Study Period

(Amount are in ₹ Lakh)

Bank Name	31-03-2015	31-03-2016	31-03-2017	31-03-2018	31-03-2019	31-03-2020	Increase/Decrease	% change
Balageria CCB Ltd.	0	409.35	550.05	1590.68	773.67	1203.86	1203.86	-
Bankura DCCB Ltd.	4366.63	5029.42	5502.66	5919.09	6317.75	6762.55	2395.92	54.87
Birbhum DCCB Ltd.	0	0.00	140.32	-	105.53	119.33	119.33	-
Burdwan CCB Ltd.	117.12	1241.20	1179.99	1310.27	1186.19	1452.88	1335.76	1140.51
Darjeeling DCCB Ltd.	16.42	17.96	45.98	40.08	37.82	20.58	4.16	25.33
Dakshin Dinajpur DCCB Ltd.	415.35	400.68	271.99	518.24	720.51	1262.57	847.22	203.98
Hoogly DCCB Ltd.	5487.29	6240.82	7141.99	9683.38	13577.94	18976.08	13488.79	245.82
Howrah DCCB Ltd.	1693.5	2120.40	2295.08	3851.17	4704.31	5744.78	4051.28	239.23
Jalpaiguri CCB Ltd.	295.17	287.99	304.34	295.42	350.84	362.87	67.70	22.94
Malda DCCB Ltd.	1551.07	1946.20	2061.85	3234.63	4789.49	5999.68	4448.61	286.81
Mugberia CCB Ltd.	2622.05	3165.71	4108.67	4879.33	6285.28	5816.04	3193.99	121.81
Murshidabad DCCB Ltd.	5340.56	6965.67	6702.11	7903.39	10564.03	11787.85	6447.29	120.72
Nadia DCCB Ltd.	8073.86	11468.35	13652.72	18089.46	23584.06	29868.18	21794.32	269.94
Purulia CCB Ltd.	0	213.83	193.30	291.04	294.49	281.36	281.36	-
Raiganj CCB Ltd.	857.90	1165.8	1696.94	2413.34	3040.89	3571.09	2713.19	316.26
Tamluk-Ghatal CCB Ltd.	1941.20	0.00	3120.59	3613.04	8885.46	11833.00	9891.80	509.57
Vidyasagar CCB Ltd.	1401.31	1707.86	2122.71	3010.50	4894.60	5866.09	4464.78	318.61
West Bengal STCB Ltd	41071.88	48011.43	51364.37	5019.35	8593.35	11137.00	-	-72.88
Total	75251.31	90392.67	102455.66	71662.41	98706.21	122065.79	46814.48	62.21

(Data Source: Status of Microfinance in India 2014-15 to 2019-20)



The above table represents the amount of outstanding loan of DCCBs and STCB operating in West Bengal from the SHGs at the end of each financial year during the study period. From the table it is found that the amount of outstanding loan at the end of the financial year 2019-20 has reached at ₹122065.79 lakh which was only ₹75251.31 lakh at the end of the financial year 2014-15, indicating a net increment of ₹46814.48 lakh (62.21%) during the study period. The table further shows that Nadia DCCB has the highest amount of outstanding loan from SHGs at the end of financial year 2019-20 which is reached at ₹29868.18 lakh followed by Hooghly DCCB (₹18976.08 lakh) and Tamluk- Ghatal CCB (₹11137 lakh). Burdwan CCB has accumulated highest amount of outstanding loan during the study period in percentage form (1140%) followed by Tamluk- Ghatal CCB (509%) and Vidyasagar CCB (318%). On the other hand, highest reduction in accumulation of outstanding loan during the study period has been observed in case of West Bengal STCB which is ₹29934.9 lakh (72.88%).

TABLE 7: Amount of NPA and its Percentage on Loan Outstanding by SHGs to DCCBs and STCB of West Bengal during each year of the Study Period

(Amount are in ₹ Lakh)

Bank Name	31-03-2015		31-03-2016		31-03-2017		31-03-2018		31-03-2019		31-03-2020		Increase/ Decrease of NPA Amount
	Amount of NPA	% on O/S Loan	Amount of NPA	% on O/S Loan	Amount of NPA	% on O/S Loan	Amount of NPA	% on O/S Loan	Amount of NPA	% on O/S Loan	Amount of NPA	% on O/S Loan	
Balageria CCB Ltd.	0	0.00	0	0.00	26.49	4.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bankura DCCB Ltd.	476.49	10.9	492.33	9.79	632.89	11.5	739.79	12.5	1409.0	22.30	1326.80	19.62	850.31
Birbhum DCCB Ltd.	0	0.00	0	0.00	121.91	86.88	-	-	93.50	88.60	66.84	56.01	66.84
Burdwan CCB Ltd.	31.36	26.8	343.13	27.6	271.67	23.02	271.67	20.7	96.28	8.12	155.33	10.69	123.97
Darjeeling DCCB Ltd.	9.91	60.3	8.66	48.2	14.58	31.71	0.00	0.00	0.00	0.00	6.98	33.92	-2.93
Dakshin Dinajpur DCCB Ltd.	85.82	20.7	127.89	31.9	42.25	15.53	38.53	7.43	23.61	3.28	33.48	2.65	-52.34
Hooghly DCCB Ltd.	184.71	3.37	305.17	4.89	255.18	3.57	189.76	1.96	209.89	1.55	209.89	1.11	25.18
Howrah DCCB Ltd.	41.79	2.47	32.57	1.54	31.88	1.39	71.40	1.85	48.73	1.04	47.66	0.83	5.87
Jalpaiguri CCB Ltd.	0	0.00	16.25	5.64	16.27	5.35	118.22	40.0	75.78	21.60	71.36	19.67	71.36
Malda DCCB Ltd.	184.10	11.9	145.92	7.50	216.91	10.52	230.68	7.13	223.23	4.66	267.04	4.45	82.94
Mugberia CCB Ltd.	0.44	0.02	9.20	0.29	3.22	0.08	2.02	0.04	4.24	0.07	4.24	0.07	3.80
Murshidabad DCCB Ltd.	123.17	2.31	274.85	3.95	333.61	4.98	333.61	4.22	1864.3	17.65	1899.5	16.11	1776.32
Nadia DCCB Ltd.	211.58	2.62	109.78	0.96	139.98	1.03	180.15	1.00	277.28	1.18	399.19	1.34	187.61
Purulia CCB Ltd.	0	0.00	9.22	4.31	7.93	4.10	7.96	2.74	8.16	2.77	10.18	3.62	10.18
Raiganj CCB Ltd.	19.66	2.29	45.46	3.90	145.64	8.58	247.75	10.3	294.49	9.68	619.98	17.36	600.32
Tamluk- Ghatal CCB Ltd.	38.82	2.00	0.00	0.00	9.85	0.32	21.24	0.59	33.41	0.38	89.02	0.75	50.20
Vidyasagar CCB Ltd.	162.78	11.6	175.75	10.3	252.4	11.89	252.40	8.38	159.59	3.26	162.09	2.76	-0.69
West Bengal STCB Ltd	1848.1	4.50	2150.6	4.48	2748.9	5.35	882.22	17.6	968.30	11.27	856.32	7.69	-991.79
Total	3418.7	4.54	4246.8	4.70	5271.6	5.15	3587.4	5.01	5789.8	5.87	6225.9	5.1	2807.15

(Data Source: Status of Microfinance in India 2014-15 to 2019-20)



The above table represents the amount of NPA and its percentage on total outstanding loan at the end of each financial year. The table shows that the total amount of NPA has been increased from ₹3418.74 lakh to ₹6225.89 lakh resulting an overall increase of ₹2807.15 lakhs during the study period and percentage of NPA on loan outstanding has been increased from 4.54% to 5.10 % during the same period. The table further shows that Murshidabad DCCB has registered highest increment in NPA during the study period which amounts to ₹1776.32 lakhs followed by Bankura DCCB (₹850.31 lakh) and Raiganj CCB (₹600.32 lakh). On the other hand, highest reduction in NPA amount is observed in case of West Bengal STCB which amounts to ₹991.79 lakh followed by Dakshin Dinajpur DCCB (₹52.34 lakh). From the table it is also found that overall percentage of NPA on outstanding loan at the end of the study period is 5.10, and there are eight DCCBs whose NPA percentage is higher than the overall percentage. At the end of the last financial year of the study period, highest percentage of NPA is observed in case of Birbhum DCCB (56.01%) followed by Darjeeling DCCB (33.92%) and Jalpaiguri DCCB (19.67%). On the other hand, lowest percentage of NPA has been found in case of Balageria CCB (0%) during the same period followed by Mugberia CCB (0.07%) and Tamluk- Ghatal CCB Ltd (0.75%).

Major Findings:

The statistics of the present paper reveals that there is very nominal increment in total amount of savings of SHGs with DCCBs and STCB of West Bengal though a sharp decline is found in the number of SHGs linked with savings account during the study period. The overall annual disbursement of loan by DCCBs and STCB of West Bengal towards the SHGs has been increased but loan per SHG has been decreased and percentage of NPA on outstanding loan has been increased during the same period. The financial performance of Nadia DCCB is the best among all DCCBs in the state as this DCCB gains top position in respect of linking of SHGs with savings and loan account as well as amount stands credit to savings and disbursement of loan. Recovery of loan is also at very satisfactory level as percentage of NPA is only 1.34% of outstanding loan of the financial year 2019-20 and average NPA is only 1.35% during the study period. The rate of progress of Burdwan DCCB on the other hand, is the best among the DCCBs of the state during the same period and this DCCB has shown a sharp progress in respect of linking SHGs in savings and loan account, amount of savings and disbursement of loan. The recovery status of Murshidabad, Bankura and Raiganj DCCB is not satisfactory as NPA has been generated in these DCCBs very alarmingly during the study period. In this context Birbhum DCCB should also to be mentioned as the rate of NPA on outstanding loan is very high here throughout the study period. The financial performance of West Bengal STCB towards SHGs has been declined sharply specially towards the last three years of the study period.

Conclusion:

The DCCBs and STCB of West Bengal are playing a vital role towards financial inclusion and women empowerment in the state along with other financial institutions and agencies. There has been a qualitative enhancement in overall performance of the cooperative banks in the state. Average amount of savings per account has been increased from 17794 to 30672. Percentage of SHG to whom loan is disbursed with respect to SHG having savings account with DCCBs and STCB of West Bengal have been sharply increased from 18% to 46% and average amount of disbursement has also been increased from ₹92080 to ₹113929. Average percentage of NPA on total outstanding loan is also at satisfactory level of 5.10% which is 5.99% in the national level in the financial year 2019-20. So, it can be definitely said that the progress of microfinance by the DCCBs and STCB of West Bengal towards SHGs is



advancing quite satisfactorily and these agencies are performing a vital role in rural economy of West Bengal.

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