

CHAPTER 9

SAVING, BORROWING AND REPAYMENT

9.1 INTRODUCTION

9.1.1 There is no denying the fact that since more than three decades of working of the microfinance through the SHGs emerges as a major development policy to cope with the threat of poverty and financial exclusion particularly in the rural areas. Microfinance programmes enable the poor to save and it works as an endogenous source of capital for lending. Again, it is beyond doubt that during this period, in rural areas, the microfinance market has developed remarkably (Fisher and Sriram 2002; Srinivasan 2009) and converted the rural poor as creditworthy under the SHG umbrella minimizing the traditional belief that the poor are not credit worthy because they have no collateral. Through this study, we try to show that the working of the SHG formed purely by the poor people (BPL people) will exhibit the picture of credit worthiness of the poor people and will also prove that it is not the collateral but the coexistence and determination of poor people is the success story working behind the recent functioning of the rural borrowing.

9.1.2 It is often argued by the researchers that the credit accumulation of the poor people and their mode of repayment depend on their own hierarchies and framework of calculations (Bloch and Parry 1989; Zelier 1994; Bouman 1994; Guerin 2006; Servet 2006 etc). Besides, being a researcher of rural economy we have seen that the institutions such as gender, caste or ethnicity, religion, etc have been working side by side to give the shape of the demand for and access to financial service (Harris and White 1994; Johnson 2004; Collins, 2009). Again, both the dynamism and diversity is simultaneously exhibit in the landscape of informal financing by appearing as the strength and weakness of informal financing in our country and in like as countries (Bouman, 1989; Collins et al, 2009). The debt-characteristics like negotiability and flexibility, reliability, discretion and anonymity etc have also been appearing in several studies related to borrowing and repayment of the poor people (Rutherford, 2001; Johnson, 2007 etc).

9.2 NATURE OF SAVING

9.2.1 All successful microfinance programmes require that potential borrowers first take part in a saving programme. If people cannot save, they cannot handle credit either. The savings component is very useful to provide separate line of credit for consumption and emergency needs of the members. It is also seen as a major source of loan funds for its members. Savings are an essential feature of all SHGs. We have already discussed in the sections 5.3.4 and 5.3.5 of chapter 5 of this write up about the saving potentiality of the SHG members and find that 77.74 percent members save regularly in total sample though for a healthy working of SHGs this percentage figure at least might be not less than 80 percent. Here we discuss the other aspects of group saving under the following headings.

9.2.2 It is true that where the poor under the net of SHG umbrella are concerned, saving is not simply the gap between income and expenditure. For them saving means forced saving by cutting down some of their expenditure somewhere. Usually the group start with one type of ‘compulsory’ regular savings, where in all the members periodically save a fixed amount as decided by all members in its group meeting. In our study we find mode of saving for all the groups is monthly. But the amount of saving in per month differs among the groups. Actually

Table 9.1A
Monthly Saving Pattern of the SHG Members
(Sub-Sample I)

Monthly Saving (Rs.)	No. of Groups	P.C.
30	2	13.33
50	6	40.00
80	--	--
100	5	33.34
130	2	13.33
Total	15	100.00

Source: Field Survey, 2012-13

Table 9.1B
Monthly Saving Pattern of the SHG Members
(Sub-Sample II)

Monthly Saving (Rs.)	No. of Groups	P.C.
30	4	26.67
50	7	46.67
80	2	13.33
100	2	13.33
130	--	--
Total	15	100.00

Source: Field Survey, 2012-13

Table 9.1C
Monthly Saving Pattern of the SHG Members
 (Total Sample)

Monthly Saving (Rs.)	No. of Groups	P.C.
30	6	20.00
50	13	43.33
80	2	6.67
100	7	23.33
130	2	6.67
Total	30	100.00

Source: Field Survey, 2012-13

the group revises the saving amount periodically upwards and accordingly saving will go up. During the period of survey we get the following five types of saving pattern for our 30 SHGs as depicted in tables 9.1A to 9.1C.

9.2.3 The above table reveals that saving of the members ranges between Rs. 30.00 to Rs. 130.00 per month. It reveals from the above table 9.2C that in our Total Sample 70.00 percent group saves less than Rs. 100.00 and rest 30.00 percent save Rs.100.00 or more. Most of the group saves Rs. 50.00 per month, in percentage figure it stands at 43.33 percent for Total Sample.

9.2.4 Since saving has become compulsory for every member of SHG, because of this compulsion members have accumulated reasonably good amount in their SHG account. As mentioned elsewhere all the selected sample households have completed five years in SHG. This has made them to save. Data represented in the table 9.2 reveals the amount of saving by the SHGs in Sub-Sample I, Sub-Sample II and Total Sample from the time of inception to till the date of survey.

Table-9.2
Individual and Group Saving
 (Sub-Sample I, Sub-Sample II and Total Sample)

(In Rs.)

Sample	No of Groups	Total Members	Total Amount Saved	Per SHG Saving	Per member saving
Sub-Sample I	15	154	688950.00	45930.00	4473.70
Sub-Sample II	15	165	547800.00	36520.00	3320.00
Total Sample	30	319	1236800.00	41227.00	3877.12

Source: Field Survey, 2012-13

9.2.5 It is clear from the above table that total amount saved by the groups in sub sample differs. The distinction would be more prominent, if we have a look to the figure of per SHG saving and per member saving. While the per SHG average saving, for the given time period is Rs. 45930.00 for Sub-Sample I, it stands at Rs. 36520.00 for Sub-Sample II. Again we find that per capita saving is, on the average, Rs. 1153.70 higher in Sub-Sample I compared to Sub-Sample II. The average per member saving in total sample is Rs. 3877.12

9.3 NATURE OF BORROWING

9.3.1 From our interaction with the households of both the SGH and Non-SHG it reveals that the households borrow for both recurring and non-recurring purposes like consumption, social ceremonies, health, housing, education and to invest in agriculture and non-agricultural activities. One important thing that comes out clearly from our study area that the households not belonging to the SHGs are not credit worthy. Out of 100 households of this group only 13 houses have some tiny amount of loan mainly for the consumption need taken from the big farmers on the condition that they will have to repay the amount not in cash but in the form of labour power at the time of peak agricultural season and few households reported that in need they sometimes takes money from their friends or relatives or neighbors a very small amount of money such as Rs100, Rs. 200 or maximum Rs. 500 and they repay it within one or two months. None of the Non-SHG member reported about their Institutional loan and about their systematic or regular saving. Thus in our analysis we consider only the households of the SHGs.

9.3.2 It is in theory that microfinance loan (SHG borrowing) should be livelihood oriented and must be encouraged the self-employment activities for smoothing the level of living of the marginalised people and push them to a poverty free zone (Fisher and Sriram, 2002; Srinivasan, 2009; Kar, 2011). But if we have a look in reality then we see that a considerable percentage of borrowing are concentrated in non-economic purposes such as for housing, consumption, ceremonies and purchase of durable goods. Though there is a common argument that the quality of life and productivity of labour force depends to some extent on the quality of housing (Kar, 2014), but expenditure on recurring consumption by borrowing rather exhibits the negative attitude of the SHG members or SHG households members. Again, borrowing for ceremonies particularly for

the marriage of the female child highlights about the poor planning on life-cycle events among the downtrodden households.

9.3.3 We have categorized all the borrowings of the SHG households in ten groups. They, according to order, are farming, animal husbandry, petty business, medical, housing, consumption, marriage and other ceremonies, durable goods, education and land leased in. This has been given in Table 9.3A to 9.3C. One can see from this table that out of 154 SHG households 112 households in Sub-Sample I and 117 households out of 165 SHG households in Sub-Sample II are involved in borrowing activities. That means just 72.73 percent households in Sub-Sample I and 70.91 percent households in Sub-Sample II exhibit their interest in borrowing. But what is interesting is that the activity like farming is recorded itself at the top of the borrowing list following the preference pattern of the households rather than consumption. We see from Table 9.3C that 72 households were borrowed for their farming activities on the other hand only 29 households were borrowed for their typical consumption need in Total Sample. Another interesting feature of borrowing that also follows from the same table that five households were exhibited their preference in land mortgage for farming. If we add these two households to the number of

Table 9.3A
Distribution of SHG Households by Nature of Borrowing
(Sub-Sample I)

Purpose	Number of Households	Percentage to the total Households
Farming	33	29.46
Animal Husbandry	13	11.61
Petty Business	15	13.39
Medical	14	12.50
Housing	10	8.93
Consumption	11	9.82
Marriage and other Ceremonies	8	7.14
Durable Goods	4	3.57
Education	2	1.79
Land mortgage	2	1.79
Total	112	100.00

Source: Field Survey, 2012-13

Table 9.3B
Distribution of SHG Households by Nature of Borrowing
 (Sub-Sample II)

Purpose	Number of Households	Percentage to the total Households
Farming	39	33.33
Animal Husbandry	12	10.26
Petty Business	13	11.11
Medical	8	6.84
Housing	14	11.97
Consumption	18	15.38
Marriage and other Ceremonies	6	5.13
Durable Goods	3	2.56
Education	1	0.85
Land mortgage	3	2.56
Total	117	100.00

Source: Field Survey, 2012-13

Table 9.3C
Distribution of SHG Households by Nature of Borrowing
 (Total Sample)

Purpose	Number of Households	Percentage to the total Households
Farming	72	31.44
Animal Husbandry	25	10.92
Petty Business	28	12.23
Medical	22	9.61
Housing	24	10.48
Consumption	29	12.66
Marriage and other Ceremonies	14	6.11
Durable Goods	7	3.06
Education	3	1.31
Land mortgage	5	2.18
Total	229	100.00

Source: Field Survey, 2012-13

farming households then the percentage of households who were borrowed for farming increases to 33.62 percent for Total Sample. This simply means that near about one-third of the total households of our study area were used their borrowing amount as capital good rather than consumption good. This proves the sustainability of the borrowing activities among the SHG households. We also see that 10.48 percent households were borrowed for better housing and only three households were borrowed for the education of their children.

9.3.4 We have also distributed the total amount of borrowing of the households by ten borrowing heads as given in Tables 9.4A to 9.4C for Sub-Sample I, Sub-Sample II and Total Sample respectively. If we differentiate borrowing by productive and unproductive in Total Samples then we see from table 9.4C that 71.72 percent SHG households are remained in the group of productive borrowing. If we further categorise the productive borrowing by direct and indirect productive borrowing then we see that 71.53 percent SHG households of our sample engaged in direct productive activities with their borrowing amount.

9.3.5 It also reveals from the table 9.4C that in total sample in terms of borrowing amounts the purpose farming ranks first and it covers more than 40 percent of total borrowing and then followed by the Petty Business and animal husbandry respectively. These two in percentage figures are 14.28 percent and 13.75 percent respectively in total sample. Borrowing for consumption expenditure ranks itself in fifth position in total sample. We get more or less same feature of borrowing for Sub-Sample I and Sub-Sample II also, as depicted in the following tables.

Table 9.4A
Distribution of Borrowing Amount by the Purpose of Borrowing
(Sub-Sample I)

Purpose	Amount Borrowed (Rs)	Percentage	Average amount (Rs)
Farming	235480	38.91	7135.75
Animal Husbandry	81600	13.48	6276.92
Petty Business	96800	15.99	6453.33
Medical	40150	6.63	2867.86
Housing	63000	10.41	6300.00
Consumption	38100	6.30	3463.64
Marriage and other Ceremonies	26600	4.40	3325.00
Durable Goods	6800	1.12	1700.00
Education	1000	0.17	500.00
Land mortgage	15700	2.59	7850.00
Total	605230	100.00	5403.84

Source: Field Survey, 2012-13

Table 9.4B
Distribution of Borrowing Amount by the Purpose of Borrowing
(Sub-Sample II)

Purpose	Amount Borrowed (Rs)	Percentage	Average amount (Rs)
Farming	202050	42.98	5180.77
Animal Husbandry	66300	14.11	5525.00
Petty Business	56700	12.06	4361.54
Medical	19700	4.19	2462.50
Housing	46700	9.94	3335.71
Consumption	42300	9.00	2350.00
Marriage and other Ceremonies	16200	3.45	2700.00
Durable Goods	4600	0.98	1533.33
Education	1000	0.21	1000.00
Land mortgage	14500	3.08	4833.33
Total	470050	100.00	4017.52

Source: Field Survey, 2012-13

Table 9.4C
Distribution of Borrowing Amount by the Purpose of Borrowing
(Total Sample)

Purpose	Amount Borrowed (Rs)	Percentage	Average amount (Rs)
Farming	437530	40.69	6076.81
Animal Husbandry	147900	13.75	5916.00
Petty Business	153500	14.28	5482.14
Medical	59850	5.57	2720.45
Housing	109700	10.20	4570.83
Consumption	80400	7.48	2772.41
Marriage and other Ceremonies	42800	3.98	3057.14
Durable Goods	11400	1.06	1628.57
Education	2000	0.19	666.67
Land mortgage	30200	2.81	6040.00
Total	1075280	100.00	4695.55

Source: Field Survey, 2012-13

9.3.6 To have a rigorous view about the nature of borrowing we have also calculated the average amount of borrowing following the ten borrowing heads. This is also given in table 9.4A to 9.4C. There is a common tendency among the SHG poor households, as we have seen in our study areas is to better off their income by investing them in farming activities. The average amount of borrowing as given in table 9.4A to 9.4C also reflects that tendency. From table 9.4C we get the average amount of borrowing for farming stands at Rs. 6076.81 in total sample. This amount is mainly seasonal in character. They have taken loan mainly for vegetable cultivation. The second

highest item is animal husbandry which is directly related with SHG activities and the average amount of borrowing in total sample in this purpose is Rs. 5916.00. The third one is Petty business and the average amount of borrowing in this purpose is Rs. 5482.14. Again if we make a compare between the total average borrowing of Sub-Sample I and Sub-Sample II, then it remains significantly high for Sub-Sample I compared to Sub-Sample II. These two figures are Rs. 5403.84 and Rs. 4017.52 for Sub-Sample I and Sub-Sample II respectively.

9.3.7 As we have stated in our methodology section in Chapter 1, that we have taken SHGs on the basis of the stratified random sampling without replacement on the basis of four stratum such as caste (General and Schedule caste), Religion, Sex and education. Here for the sake of simplicity we have accumulated the borrowing amount on the basis of the groups as given in table 9.5A to 9.5C. One can say without any hesitation by observing these tables that except Muslim SHGs,

Table 9.5A
Borrowing by the SHG Households
(Sub-Sample I)

Groups	Total Amount(Rs)	Percentage	Average Amount(Rs)
Schedule Caste	118347	19.55	5635.57
Mixed	132672	21.92	5768.35
General Caste	124876	20.63	5676.18
Muslims	87837	14.51	4182.71
Educated	141498	23.38	5659.92
Total	605230	100.00	5403.84

Source: Field Survey, 2012-13

Table 9.5B
Borrowing by the SHG Households
(Sub-Sample II)

Groups	Total Amount(Rs)	Percentage	Average Amount(Rs)
Schedule Caste	87250	18.56	3490.00
Mixed	97806	20.81	4252.43
General Caste	103153	21.95	4298.04
Muslims	70162	14.93	3508.10
Educated	111679	23.76	4467.16
Total	470050	100.00	4017.52

Source: Field Survey, 2012-13

Table 9.5C
Borrowing by the SHG Households
 (Total Sample)

Groups	Total Amount(Rs)	Percentage	Average Amount(Rs)
Schedule Caste	205597.00	19.12	4469.50
Mixed	230478.00	21.43	5010.39
General Caste	228029.00	21.21	4957.15
Muslims	157999.00	14.69	3853.63
Educated	253177.00	23.55	5063.54
Total	1075280.00	100.00	4695.55

Source: Field Survey, 2012-13

other groups are efficient in terms of taking loans from the revolving fund and project loan. The share of Muslim SHGs out of total borrowing is 14.69 percent in total sample.

9.3.8 However, we like to mention some points which are responsible for motivation of borrowing. Firstly, most of the members of these groups are poor and only asset they possess for their livelihood is the tiny amount of land they have and so they borrow for smoothing their income by investing in land. Secondly, most of the Schedule Cast and Muslim group households having no other assets that substantiate their income smoothing so they very often take productive loans mainly for animal husbandry. Finally, Muslim groups recorded the lowest propensity to borrow in terms of total amount and in average per capita amount. This is, as we think, due to inherent characteristics of the Muslim society not to allow their women independently to participate in economic and other out-houses activities. Even they avoid taking consumption loan from the revolving fund in their starvation.

9.3.9 If we have a look in the average per capita borrowing from table 9.5C, then we see that it is highest for educated groups followed by mixed groups and general cast groups in total sample. It is lowest for Muslin groups. The average amount of borrowing of educated and Muslim groups for total sample is Rs. 5063.54 and Rs. 3853.63 respectively. However ranking of average amount of borrowing for different categories of SHGs differ between Sub-Sample I and Sub-Sample II.

9.4 NATURE OF REPAYMENT

9.4.1 Loan repayment performance of a borrower elsewhere in the world among the downtrodden people depends generally on the size of the borrowing amount, purpose of borrowing, income of the borrowing household, age of the borrower and other earning members in the household, education, average household size and finally on the designing of the credit project (C.J. Arene, 1992; Ghatak and Guinnane, 1999). In our sample we have 16 SHGs who are going with credit project out of 30 SHGs in Total Sample, during our period of survey. Out of these 16 credit projects 11 credit projects are earmarked as agricultural projects and the project plan simply confined to the production of paddy and to the production of potato and other popular vegetables. The rest five projects are going with animal husbandry. As the land area of both the samples in our consideration are fertile for agricultural production and there are easy access of animal foods specially in Sub-Sample II, due to nearness of forest land, the choice of credit projects, as we think, are at par and so will be the repayment rate. The reflection of the same has been summarised in table 9.6A to 9.6C.

Table 9.6A
Repayment by the SHG Households
 (Sub-Sample I)

Groups	Total Amount(Rs)	Percentage of repayment	Average Amount(Rs)
Schedule Caste	81405	68.79	3876.43
Mixed	82721	62.35	3596.57
General Caste	98647	79.00	4483.95
Muslims	50333	57.30	2649.11
Educated	110139	77.84	4079.22
Total	423245	69.93	3778.97

Source: Field Survey, 2012-13

Table 9.6B
Repayment by the SHG Households
 (Sub-Sample II)

Groups	Total Amount(Rs)	Percentage of repayment	Average Amount(Rs)
Schedule Caste	54866	62.88	2286.08
Mixed	70137	71.71	3049.43
General Caste	66851	64.81	2785.46
Muslims	41233	58.77	2290.72
Educated	90833	81.33	3244.04
Total	323920	68.91	2768.55

Source: Field Survey, 2012-13.

Table 9.6C
Repayment by the SHG Households
(Total Sample)

Groups	Total Amount(Rs)	Percentage of repayment	Average Amount(Rs)
Schedule Caste	136271	66.28	2962.41
Mixed	152858	66.32	3323.00
General Caste	165498	72.58	3597.78
Muslims	91566	57.95	2233.32
Educated	200972	79.38	4019.44
Total	747165	69.49	3262.73

Source: Field Survey, 2012-13

9.4.2 Table 9.6C reveals that the average repayment rate in this SHG area economy is 69.49 percent for total sample. It is not in good tune with the micro finance activities and remains below the optimum rate. Generally, the optimum rate remains in the range of 70 percent to 80 percent in most of the Asian countries (Kar, 2011). Although, as a whole, the rate of repayment is rather lower in our study area, but it remains near the lower limit of the optimum rate. We have already seen from table 9.5C that form the point of group loan SHGs of educated category in our total sample are in better off position than the other SHGs. Again, from the point of view of repayment also we see from table 9.6C that out of five categories of SHGs the educated group exhibits their good ability to pay the amount as refund and followed by the general caste group in case of total sample. On the other hand, the conditions of Muslims of our study area as a whole is worse off from the point of view of both amounts borrowed and loan repayment.

Table 9.7A
Borrowing, Repayment and Outstanding of SHG Households
(Sub-Sample I)

Self-Help Group	Amount Borrowed		Amount Repaid		Amount Outstanding	
	Amount	P.C. to Total Borrowing	Amount	P.C. of Borrowing	Amount	P.C. of Borrowing
Schedule Caste	118347	19.55	81405	68.79	36942	31.21
Mixed	132672	21.92	82721	62.35	49951	37.65
General	124876	20.63	98647	79.00	26229	21.00
Muslims	87837	14.51	50333	57.30	37504	42.70
Educated	141498	23.38	110139	77.84	31359	22.16
Total	605230	100.00	423245	69.93	181985	30.07

Source: Field Survey, 2012-13

Table 9.7B
Borrowing, Repayment and Outstanding of SHG Households
(Sub-Sample II)

Self-Help Group	Amount Borrowed		Amount Repaid		Amount Outstanding	
	Amount	P.C. to Total Borrowing	Amount	P.C. of Borrowing	Amount	P.C. of Borrowing
Schedule Caste	87250	18.56	54866	62.88	32384	37.12
Mixed	97806	20.81	70137	71.71	27669	28.29
General	103153	21.95	66851	64.81	36302	35.19
Muslims	70162	14.93	41233	58.77	28929	41.23
Educated	111679	23.76	90833	81.33	20846	18.67
Total	470050	100.00	323920	68.91	146130	31.09

Source: Field Survey, 2012-13

Table 9.7C
Borrowing, Repayment and Outstanding of SHG Households
(Total Sample)

Self-Help Group	Amount Borrowed		Amount Repaid		Amount Outstanding	
	Amount	P.C. to Total Borrowing	Amount	P.C. of Borrowing	Amount	P.C. of Borrowing
Schedule Caste	205597	19.12	136271	66.28	69326	33.72
Mixed	230478	21.43	152858	66.32	77620	33.68
General	228029	21.21	165498	72.58	62531	27.42
Muslims	157999	14.69	91566	57.95	66433	42.05
Educated	253177	23.55	200972	79.38	52205	20.62
Total	1075280	100.00	747165	69.49	328115	30.51

Source: Field Survey, 2012-13

9.4.3 If we consider the total sample then we see that the average borrowing and repayment of loan is highest for educated groups and lowest for Muslim groups. However, if we make a compare between Sub-Sample I and Sub-Sample II then it reveals that average amount of borrowing and repayment is higher in Sub-Sample I compared to Sub-Sample II. The above tables 9.7A to 9.7C give us the details of Borrowing, Repayment and Outstanding of SHG household loans at a glance. From table 9.7C we see that percentage of outstanding loan amount is highest for Muslim group followed by schedule Cast and mixed group in total sample. However, except the Muslim group the ranking of loan outstanding of different groups differ in Sub-Sample I and Sub-Sample II.

9.5 A COMPARISON

1. If we have a look at the table 9.2, we see that the amount saved by the groups in two sub samples differs. While the per SHG average saving, for the given time period is Rs. 45930.00 for Sub-Sample I, it stands at Rs. 36520.00 for Sub-Sample II. Not only that if we consider the per capita saving then we see that it is on the average, Rs. 1153.70 higher in Sub-Sample I compared to Sub-Sample II. But, for the Non-SHG members we have not get any record of systematic or institutional saving on their part.
2. From table 9.3A and 9.3B, if we calculate the percentage of SHG households that are interested in borrowing activities then see that 72.73 percent SHG households in Sub-Sample I and 70.91 percent SHG households in Sub-Sample II exhibit their interest in borrowing. If we rank the number of SHG households on the basis of purpose of loan then we see that farming is recorded itself at the top of the borrowing list following the preference pattern of the households in both the Sub-Samples and it stands at 29.46 percent in Sub-Samples I and 33.33 percent in Sub-Samples II out of total households. But, Petty Business in Sub-Sample I and Consumption in Sub-Sample II hold the second position in borrowing list. The percentage of them is 13.39 and 15.38 respectively.
3. It reveals from the table 9.4A and 9.4B that in both the Sub-Samples, in terms of borrowing amounts, the purpose farming ranks first and it covers 38.91 percent and 42.98 percent of total borrowing in Sub-Sample I and Sub-Sample II respectively. In Sub -Sample I Petty Business holds the second position followed by animal husbandry. These two in percentage figures are 15.99 percent and 13.48 percent respectively. On the other hand, in Sub-Sample II animal husbandry holds the second position followed by Petty Business. In percentage figures they stand at 14.11 percent and 12.09 percent respectively.
4. Further, if we differentiate borrowing by productive and unproductive in then we see from Table 9.4A to 9.4B that 71.14 percent SHG households in Sub-Sample I and 72.44 households in Sub-Sample II are remained in the group of productive borrowing. If we further categorise the productive borrowing by direct and indirect productive borrowing then we see that 70.97 percent SHG households of Sub-Sample I and 72.23 percent SHG households of Sub-Sample II are

engaged in direct productive activities with their borrowing amount. Again if we make a compare between the total average borrowing of Sub-Sample I and Sub-Sample II, then we see that it is on the average, Rs. 1386.32 higher in Sub-Sample I compared to Sub-Sample II.

5. If we make a compare regarding the share of the different categories of SHGs in total amount of borrowing then we see, educated groups holds the highest share in total borrowing amount and it is lowest in case of Muslim groups in both of our Sub-Samples. From table 9.5C we find that, these two highest and lowest shares of educated and Muslim groups are 23.55 percent and 14.69 percent respectively for total sample. we also see from table 9.6C that out of five categories of SHGs the educated group exhibits their good ability to pay the amount as refund and followed by the general caste group in case of total sample. On the other hand, the conditions of Muslims of our study area as a whole is worse off from the point of view of both amounts borrowed and loan repayment.
6. From Table 9.7A to 9.7C, we see that calculated values of the average repayment-borrowing ratio in money terms more or less same in both the sub samples. For Sub-Sample I and Sub-Sample II it stands at 0.699 and 0.689 respectively. The ratio is 0.695 for Total Sample. Probably, lower income and higher intensity of poverty of these two groups reflects their lower ability to repay the loan in spite of their inclusion in the SHG activities. From table 9.7C we see that percentage of outstanding loan amount is highest for Muslim group followed by schedule Cast group in total sample. However, except the Muslim group the ranking of loan outstanding of different groups differ in Sub-Sample I and Sub-Sample II.
7. We also get some differences in selection of project loans among different categories of SHGs. Being a land dependency area the majority of the loan undertaken by the SHGs are agricultural loan and also confined their project activities in farming in their own tiny amount of land and in the land leased in by them for a crop season. But, Most of the SC and Muslim groups who have no land in their possession exhibit their interest in taking project for Goattery. But this kind of initiation lies in a very nebulas state.