

A COMPARATIVE STUDY OF THREE BANKS' TOTALS DISBURSEMENT AND NPA% ON THE DAY-NRLM SCHEME

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ABSTRACT

In the research, a comparison of total disbursement and NPA% of three banks (PNB, SBI, CG RRB) of Block Baramkela, District Raigarh, and Chhattisgarh has been studied. The objective of this research is to do a comparative study on the total disbursement and NPA status of three banks. The research period is limited to the years 2017-18 to 2021-22. To achieve the objective of the research, tables, trend analyses, and charts are used. From this research study, we come to know that during the study period the total disbursement of CG RRB is the highest at 312.23 lakhs its NPA is lowest at 3.35% and PNBs total disbursement is the lowest at 125.67 lakhs and its NPA is the highest at 16.09% in the year 2021-22. The NPA of SBI has continuously declined in the study period. Also, it was found that the scheme was a great success for CG RRB bank.

Keywords: DAY-NRLM Scheme, NPA%, Total Disbursement, Bank Credit.

I. INTRODUCTION

DAY-NRLM is a scheme that provides financial support and assistance to women SHGs so they can start their businesses and become financially independent. These schemes provide microfinance to women SHGs.

DAY-NRLM (Dindayal Antyodaya Yojana – National Rural Livelihood Mission)

NRLM is a centrally sponsored scheme launched by the Ministry of Rural Development in 2011 by the name Aajeevika NRLM and is known as DAY-NRLM since March 2016. Alleviating poverty and promoting self-employment in rural poor, specifically, women, are the objective of this scheme. The loan is given to the women SHGs under this scheme. DAY-NRLM has removed the capital subsidy and has introduced the interest subsidy which provides professional manpower support to block to the national level and provides financial assistance and training to all SHGs. It provides No Margin and No Collateral loans to the women SHGs. Under DAY-NRLM the SHGs are created to provide financial literacy and to promote saving habits in the poor. "Bank Sakhi" is present in each bank and informs SHGs about the NRLM scheme and helps them to understand their business better.

Eligibility for taking a loan from DAY-NRLM (Gupta, 2020)

1. The borrower under the DAY-NRLM scheme should be an SHG, specifically women SHGs.
2. The number of members per SHG should be a minimum of 10 and a maximum of 20.
3. For difficult areas, remote tribal areas, and disabled persons the minimum number of members in an SHG should be 5, and the maximum number of members is 20.
4. For a special category like old age person, disabled person, transgender, etc., males can be also part of SHGs but there has to be at least one woman in a group.

Non- Performing Assets (NPA):

NPA is an asset in which a bank ceased to generate any income. RBI in its master circular has defined NPA as "An asset, including a leased asset, become nonperforming when it ceased to generate income for the bank."

NPA is a loan or advance where (Manoranjan Mishra, 2022):

Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of term loan.

Category of NPA: -

1. **Substandard Assets:** - an asset that has remained non-performing for a period less than or equal to 12 months is substandard.
2. **Doubtful Assets:** - an asset that has remained in the substandard category for a period of 12 months is a doubtful asset.

3. Loss Asset: - a loss asset is one where loss has been identified by the bank or internal or external auditor or the RBI inspection, but the amount has not been written off wholly. Such an asset is considered uncollectible.

Overdue: - Any amount due to the bank under any credit facility is overdue if it is not paid on the due date fixed by the bank (Manoranjan Mishra, 2022).

Research area –

- The study will be based on Chhattisgarh's state. Block Baramkela, District Raigarh.
- The data will be collected from three banks PNB (no. of branches - 1), SBI (no. of branches - 3), and CG RRBs (no. of branches - 7) in the Baramkela block.

II. LITERATURE REVIEW

1. **Trivedi & shah (2022)** in this paper, the researcher has studied the NPA of SHG, women SHG, public sector banks, and private sector banks concerning different schemes. The researcher has found that public sector bank has proven to be most inefficient in microfinance disbursement and recovery. Private Banks are the most efficient in controlling NPA. RRBs performance is also satisfactory as it has reduced NPA by 50% during the period of study. NPA under NRLM/SGSYY is significantly higher with public sector bank while private sector bank has a very negligible amount of NPA under this scheme.
2. **Randhawan & Kaur (2020)** in this paper, the researcher has studied about NPA of banks against SHG for five years (2015-2016 to 2019-2020) on four types of banks, public commercial banks, private commercial banks, RRBs, and cooperative banks. They found that NPA is fluctuating in public commercial banks and cooperative banks. In RRB NPA has decreased throughout the study period.
3. **Nirmala & Derashri (2019)** in this paper, the researcher has studied the NPA of different types of banks from Dec 2013 to June 2018. Researchers found that in private sector banks, ICICI bank has the highest level of NPA and the South Indian Bank has the lowest level of NPA. In public-sector banks, SBI has the highest level of NPA and UCO bank has the lowest level of NPA. In the study period, the NPA has continuously increased in private banks and is fluctuating in public banks.

OBJECTIVES:-

1. To do a comparative study of the disbursement for DAY-NRLM of three banks PNB, SBI & CG RRBs based on five years of data from 2017-2018 to 2021-2022.
2. To compare the NPA status for DAY-NRLM of three banks PNB, SBI & CG RRBs.

III. RESEARCH METHODOLOGY

1. TYPE OF RESEARCH: - Here the research is a Descriptive Research type.
2. AREA OF STUDY: - As an area of study, the block Baramkela, District Raigarh, Chhattisgarh is selected.
3. TYPE OF DATA: Secondary data will be used here. SECONDARY DATA: - The Data will be collected from the NRLM office in Baramkela.
4. RESEARCH METHOD: -Trend analysis will be done by charts and bar diagrams

LIMITATION OF STUDY:

- The data is collected from the year 2017-18 to the year 2021-22 for the study.
- The study will be based on Chhattisgarh's state.
- Block Baramkela, District Raigarh will be taken for the study.
- The data will be collected from DAY-NRLM schemes. Among the major limitations will be money, time, and travel restrictions for the researcher.

IV. FINDING

Table 1: To do a comparative study of the disbursement for DAY-NRLM and NPAs of three banks PNB, SBI & CG RRBs based on five years of data from 2017-18 to 2021-22.

Year	Amt. of total disbursement for NRLM in PNB	Amt of NPA	NPA%	Amt. of total disbursement for NRLM in SBI	Amt of NPA	NPA %	Amt. of total disbursement for NRLM in CG RRBs	Amt of NPA	NPA %
2017-18	17.28	1.89	10.94 %	38.34	9.69	25.27 %	90.91	0.1	0.11 %
2018-19	17.68	2.77	15.67 %	55.07	9.45	17.16 %	123.3	7.25	6%
2019-20	40.71	3.09	7.59%	65.49	9.28	14.17 %	143.52	1.55	1.08 %
2020-21	53.82	3.38	6.28%	102.57	9.19	8.96%	178.1	13.5	7.58 %
2021-22	125.67	20.22	16.09 %	168	9.19	5.47%	312.23	10.46	3.35 %

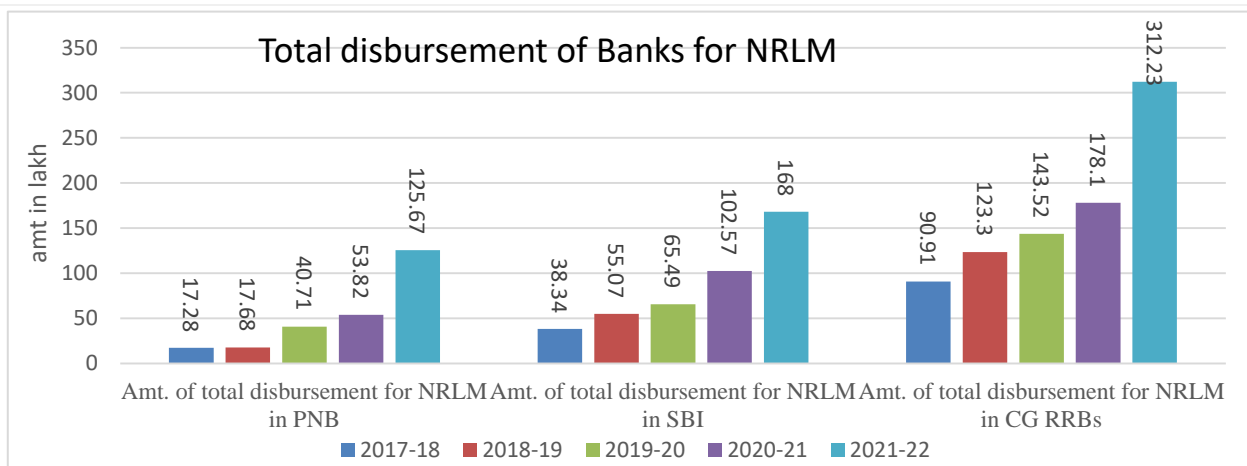


Chart 1: To a comparative study of the disbursement for DAY-NRLM

Finding of chart 1

In this study, we have found that the total disbursement is highest in CG RRB bank with a total of 312.23 lakhs. The reason behind this is CG RRBs has the maximum number of branches in the research area, and these banks work especially in the rural area and it does regular follow-up and improves awareness among rural women.

1. The lowest is in PNB bank with 125.67 lakhs. The reason behind this is there is only 1 PNB bank in the research area and their follow-up is low.
2. The government is working on the DAY-NRLM scheme and improving awareness about it, so disbursements from all three banks have increased by more than 100% in 2021-22.

NMMU (National Mission Management Unit), SMMU (State Mission Management Unit), DMMU (District Mission Management Unit), and BMMU (Block Mission Management Unit) are government hierarchies; these work from the central level to the block level to promote government schemes. SHGs have hierarchies, FL-CRPs (Financial Literacy Community Resource Persons), Active Women, and Village Organizations that work on the ground to promote, support, and make people aware of this scheme.

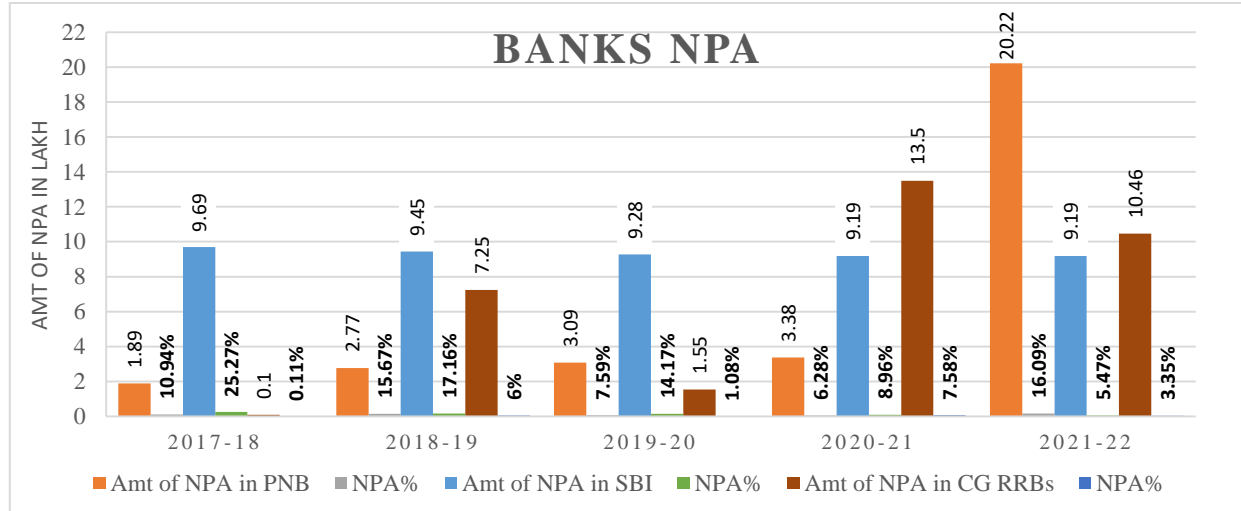


Chart 2: To a comparative study of NPAs for Day- NRLM

Findings of chart 2

1. In PNB bank NPA % was highest in the year 2021-22 at 16.09% & lowest in 2020-21 at 6.28%.
2. The NPA% has always been in a dangerous line in a PNB bank, as it has always been more than 5% each year. The reason behind it is less follow-up.
3. In SBI bank NPA % was highest in the year 2017-18 at 25.27% & lowest in 2021-22 at 5.47%.
4. SBI is the only bank on which NPA% has continuously declined in the study period. But it is still more than 5%, which is concerning. The reason behind this declining NPA% is regular (monthly) follow-up by SBI workers with the borrower and sanctioning loan to the SHG whose application is passed by the NRLM office.
5. In CG RRB bank NPA % was highest in the year 2020-21 at 7.58% & lowest in 2017-18 at 0.11%.
6. CG RRB is the only bank with an NPA of less than 5%, except for the years 2018-19 and 2020-21. An NPA of 7.58% in 2020-21 is because of the covid period, but the next year its NPA declined and they have maintained a 3.35% NPA.
7. The NPA% is the lowest in CG RRB, the reason behind it is regular follow-up and an increase in awareness in rural women by active women, FL-CRP, Gram Sangathan, CMMU, SMMU, DMMU, and BMMU. Which shows the success of the DAY-NRLM scheme in this bank.

V. SUGGESTION

1. The PNB bank has the highest NPA and its NPA is fluctuating, they should do regular and proper follow-ups with the borrower to reduce the NPA. They should increase awareness among rural women about the scheme, the 'bank sakhī' should do proper follow-up, provide information to the SHGs, and helps them with documentation, etc.
2. The SBI bank has improved its follow-up, but they have still not achieved the ideal NPA% according to RBI rules, they should work on increasing awareness among women. And encouraging them to follow the "Panchsutra".
3. Proper information about the scheme should be provided in very rural areas, as rural women are not educated and do not know about any government schemes & policies. They do not know about the DAY-NRLM scheme is an interest subvention scheme and they can get regular subsidies on the scheme. Most SHGs take loans under the scheme and use it for personal use, sometimes they do not return the money. They do not know that the scheme can help them in achieving good financial conditions and make them self-dependent. That's why increasing awareness among the rural poor is very important.

VI. CONCLUSION

In the study, we conclude that the DAY-NRLM scheme is a great success in CG RRB bank as its total disbursement is the highest at 312.23 lakhs and NPA is the lowest at 3.35%, which is because of the maximum number of branches of RRBs which is present in rural and semi-urban areas and the high level of follow-up, and RRB is working especially in the rural area that's why it is handling the scheme properly and provide

information about the schemes to the women. And in PNB it is not so successful as its total disbursement is the lowest and NPA is the highest. SBI is working well on the scheme as we see in chart no 2 that it is the only bank whose NPA has continuously declined in the study period. Before covid period each bank's disbursement is increasing at a diminishing rate, and after covid, the disbursement has risen by more than 100%, which shows more awareness, improved follow-up, and govt support for the scheme. At last, we conclude that the DAY-NRLM scheme is successful in CG RRB and SBI but is concerning in PNB bank.

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