

“SBI celebrated Woman's Day as स्वयं सिद्धा संकल्प दिन across 14000 Branches and with an aim to create 10000 Svayam Siddha Micro Entrepreneurs in the Country”



“Of the women, By the Women, For the NATION”...how SHG phenomenon anchoring *Lakhpati Didis* is sweeping the entrepreneurial landscape, creating & redistributing wealth across Bharat.. 72.7% of Rural Spends by Lakhpati Didis are now in Metros...distance travelled within & outside State are as far as from 20 km to 2000 kms..65% have moved into Upper Quantiles in terms of income... By FY27 Lakhpati Didis should be game changers across most states & UTs...

11-March-2024

Please see the last page for disclaimer



Coming on the heels of International Women's Day, this report is a humble attempt to celebrate the spirit of women entrepreneurship 365 days a year highlighting the grassroots activities of Lakhpati Didis impinging upon vibrant group dynamism, weaving socio-economic synergy across 'vocal for local' markets ...

BE THE CHANGE THAT YOU WISH TO SEE IN THE WORLD

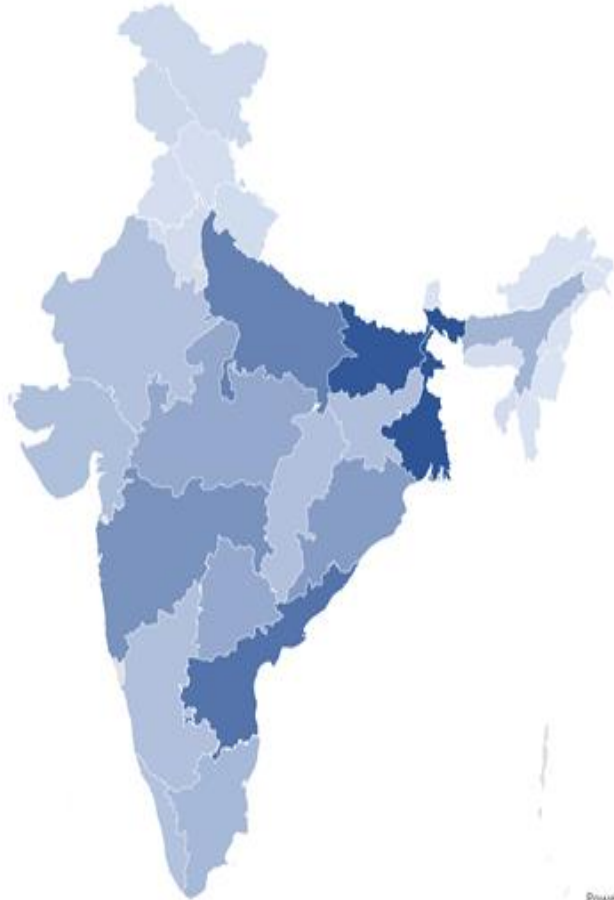
Mahatma Gandhi

- ❑ The **Wealth at the bottom of the pyramid**, an almost prophetic philosophy propounded in early 2002, that brought the attention of the world leaders as also global chaebols to the colossal purchasing power of nearly 4 billion aspiring populace across nations moved the needle from serving upper/middle classes to **‘the significant others’**
- ❑ Where you have hope, you have a middle class, social scientists argue. Hope, inter-alia is the metaphor for upward moving societal groups’ traction to a better tomorrow accentuated by all-in support from financial intermediaries chiefly PSBs that facilitates **ease of doing business at micro level** through country’s home grown Self-Help Groups (SHG)
- ❑ Ensemble of SHGs, now ~8.5 million strong and having ~9.21 crore members is furthering a revolution whose first credible offering can be seen in the ever-swelling proportion of **Lakhpati Didis**, agile women entrepreneurs in a uniquely Indian way. This not so surreptitious revolution signifies adding new realms to ‘Of the women, By the Women But for the NATION’ mantra is helping in computing women’s share in contribution to GVA / economic output through a formalization drive that captures the increasing share of women in formal sector as evidenced through increasing female LFPR...the Lakhpati Didis are truly the mascot of a new Bharat
- ❑ ***Our research study endeavors to capture the changing landscape of SHGs through analysis of credit utilization and digital behavior matrices of SHGs/SHG members/Lakhpati Didis***

- A pattern emanating even through the country's socio-eco-cultural divergence is the prowess of SHG movement in upending the income of members across strata of states.... it's the catch-up played by other '**aspirational**' states... besides the champion states that's making the playbook enticing...**it is turning the SHG phenomenon into a sweeping revolution with majority of Indian states boasting of colossal numbers of Lakhpati Didis by FY27**
- Bank SHG linkage, after a chequered three decades journey, can truly be dubbed as the gamechanger as ~97.5% of the SHGs today are having the bank account (82.05 lakh out of 84.93 lakh SHGs)..the robust bank relationship, of SHGs as a group and its individual members, inter alia has enabled credit onboarding/saturation **in right dosage, in time**, a critical component of furthering economic value addition as it dissipates the roadblocks to a benign operating cycle, offering optimal funds at reduced RoI (interest subvention) that **unlocks their marketing potential in full**...SHG portfolio of SCBs inching towards INR 2 trillion now...
- Significant improvement in physical infrastructure through interconnected loops of village roads with state/national highways (~7.50 lakh kms of roads built under PMGSY while NHs now extend ~1.50 lakh kms) is fuelling seamless connectivity, in turn changing the rural demand and supply patterns as easy access to key markets from hinterland areas is getting reflected in purchasing behaviour and associated numbers...a rural entrepreneur / farmer can now travel many kms easily to buy and sell things and these purchases will be counted in urban numbers (implying less numbers being captured for RUSU areas) even though they are bought by primarily rural populace. **The horizontal integration of cities with surrounding areas (as against the vertical growth hitherto) needs to be factored while computing rural demand/numbers...**
 - **72.7% of Rural SHG POS transactions are in Metro Region and are outside their districts.... Rural SHG members also spend considerably well in Semi-Urban and Urban region**
 - **30.5% of Rural ATM transactions are in Urban and Metro Region and outside their districts**
 - **The better Rural Urban Infrastructure is also ensuring people from Urban regions spending in outside their districts...4.5% of POS spend of Urban areas are in Rural and Semi Urban....**
- Average Limit Sanctioned to SHGs has increased by 2.2 times in FY24 when compared to FY19...Limit has been judiciously utilized by SHGs with credit demand increasing but average limit utilization so far staying below 80% indicating hygiene in credit utilization...Credit availed is also being repaid judiciously AND in time, with average credit repayment increasing by 3.9 times in FY24 over FY19!
- **Bank Mitras and Digital Didis, the home-grown gladiators underpinning financialization drive at unprecedented scale across the country need to be strategically mapped with SHG movement to give an edge in backward and forward integration of products made by these groups, enabling them to reach uncharted areas in particular in local government supported procurements (viz. ODOP/educational and child/maternity benefits schemes intake)...**SARAS MELAS are great initiatives but it can be onboarded on digital platforms like ONDC for augmented scale across Pan-India

- ❑ Credit linkage, digital access and targeted policy measures, coupled with an unwavering sense of entrepreneurial spirit have ensured female SHG members accounts witnessing income tripling during FY19-FY24 (credits in accounts), **with urban female members showing 4.6X increase while age group <27 years harnessing income increase of 4.7 times, a testimony to young nation theory...Most of the Female SHG members belong to the age of 35 to 50 years with median age of 43 years....**
- ❑ **Income has increased for SHG Members across the board... relative income analysis suggests around 65% of rural SHG members have moved upwards in terms of relative income in FY24 when compared to FY19**
- ❑ **All the regions, except metro have witnessed maximum increase in income of female SHG members belonging to 28 to 42 years in FY24 when compared to FY19....For metro regions, maximum increase is in age group <27 years....**
- ❑ With the rise in income of female SHG members, rural female LFPR (all ages) is also rising with the correlation of 0.91
- ❑ While Andhra Pradesh and Telangana are leaders in SHGs, other states like Tamil Nadu, Uttarakhand, Kerala, Punjab, Gujarat have also significantly increased female SHG incomes in recent times...Further, Female SHG members of Haryana, MP, West Bengal, and Jharkhand are expected to cross annual income of Rs 1 lakhs in 1 year...SHG members of UP, Maharashtra, Chhattisgarh, and Rajasthan may take 2 more years in earning annual income of Rs 1 lakhs...**by FY27, India will have millions of Lakhpati Didis in almost every state**
- ❑ Expenditure at ATM is nearly constant during FY19-23 for SHG members...**Average SHG members spending at POS has increased by 1.7 times during FY20-FY23...**Highest spending is observed in Urban and Metro region
- ❑ When it comes to UPI, there are not much region-specific differences as expenditure of rural SHG members and Metro SHG members is not that much different as observed in other measures....**Share of P2M transactions in UPI transactions by SHG members has nearly doubled in four years, across four regions in the country signifying ease of digital payments for merchant payments permeating physical boundaries...**
- ❑ **Expenditure through Aadhar Enabled system is increased by at least 3 times in FY24 from FY23 in all regions**

Number of Self Help Groups



2184159 Mahila
Kisans households
having Agri Nutri
Garden

116284 villages
Covered under Farm
Livelihood interventions

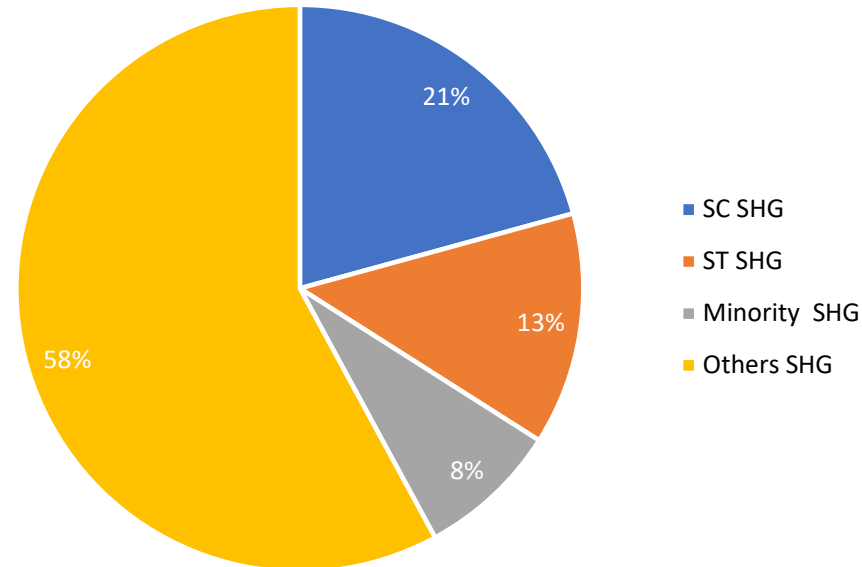
84.92 lakh SHGs benefitting
9.20 crore members..

99.8% of the SHGs have
5-20 members (11 average)

3103072 Mahila
Kisans covered under
Agro Ecological
Practice interventions

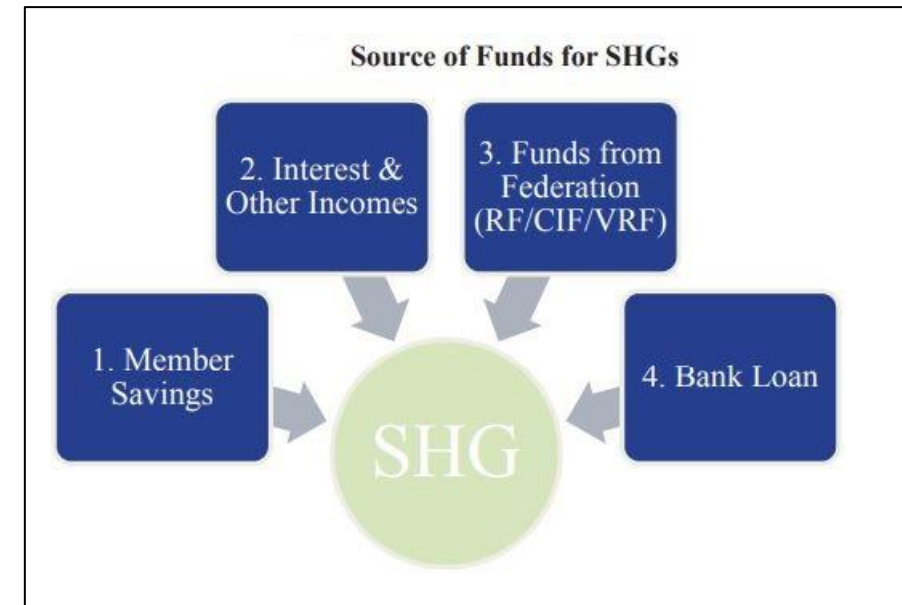
576455 Mahila
Kisans organized into
Farmer Producer
Organizations

Social Category wise SHGs



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- NRLM works towards achieving universal financial inclusion of all the poor households which are organized into SHGs. On the demand side, it promotes financial literacy among the poor and provides catalytic capital to the SHGs and their federations. On the supply side, NRLM coordinates with the financial sector to deliver credit and related services to SHGs and their federations
- NRLM has thus bridged the gap of credit access by SHGs by collaborating with financial institutions. NRLM aims at making poor, the preferred clients of banking system and help them mobilize adequate bank credit for meeting both consumption and production requirements
- The SHG-Bank Linkage Programme is the key strategy for delivering financial services to the poor in a sustainable manner.
- The two key steps in promoting SHG-bank linkage are: (i) Opening of SHG Saving Bank Account; and (ii) Facilitating Credit Linkage of SHG



Female SHG members income has increased 3x beginning March'19 and till Dec'24... remarkably, pandemic created opportunities for SHG activities to scale up exponentially

- ❑ Female SHG members accounts have shown increase in income by 3 times during FY19-FY24
- ❑ Maximum 4.6 times increase in income in urban female SHG members accounts
- ❑ Maximum income increase is witnessed in age group <27 years (4.7 times)

Indexed Credit Income in Female SHG Member accounts (FY19 as base)					
FY	Overall	Rural	Semi-Urban	Urban	Metro
FY19	100	100	100	100	100
FY20	131	126	134	151	153
FY21	159	152	164	187	172
FY22	204	190	211	267	254
FY23	245	225	257	331	310
FY24 (till Dec)	231	210	241	346	257
FY24 (P)	307	280	321	462	342

Source: SBI research

Indexed Credit Income in Female SHG Member accounts (age-wise)				
FY	Less than 28 years	28- to 42 years	42 years to 57 years	Greater than 57 years
FY19	100	100	100	100
FY20	145	139	126	119
FY21	199	170	151	138
FY22	301	223	189	163
FY23	365	286	216	165
FY24 (till Dec)	349	269	203	155
FY24 (P)	466	359	270	207

Source: SBI research

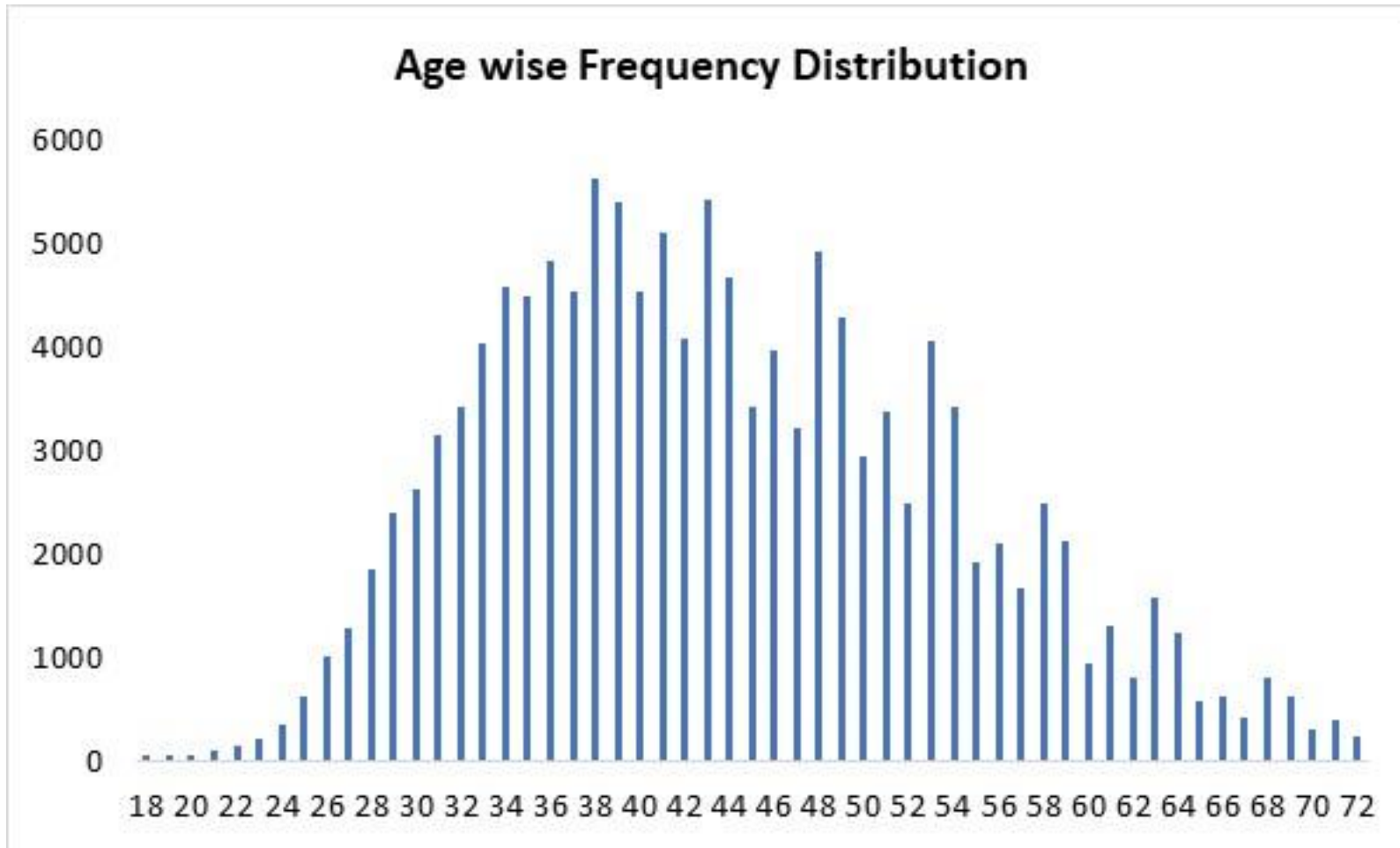
- Income has increased for SHG Members with 65% of rural SHGs members have moved into Upper Quintiles FY24 when compared to FY19

Credit Income Quintile Movement of Bottom Female SHG Members (FY19/FY24)					
FY24 -> FY19	Bottom	Fourth	Third	Second	Top
Rural	35.0	23.9	17.3	13.6	10.1
Semi-Urban	34.9	21.1	15.8	15.8	12.4
Urban	31.0	21.4	16.1	19.8	11.8
Metro	30.9	29.2	14.8	14.1	11.0

Source: SBI research

All age group females are joining SHGs...SHGs is now a mass movement in India with women even more than 70 years a part of this revolution

- Most of the Female SHG members belong to the age of 35 to 50 years with median age of 43 years



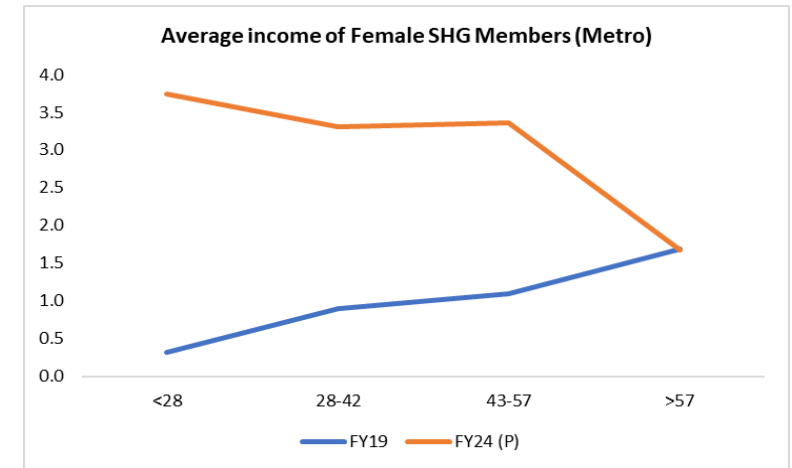
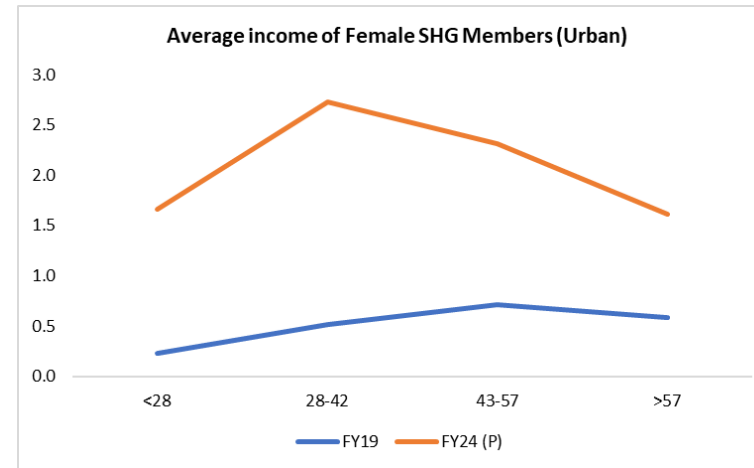
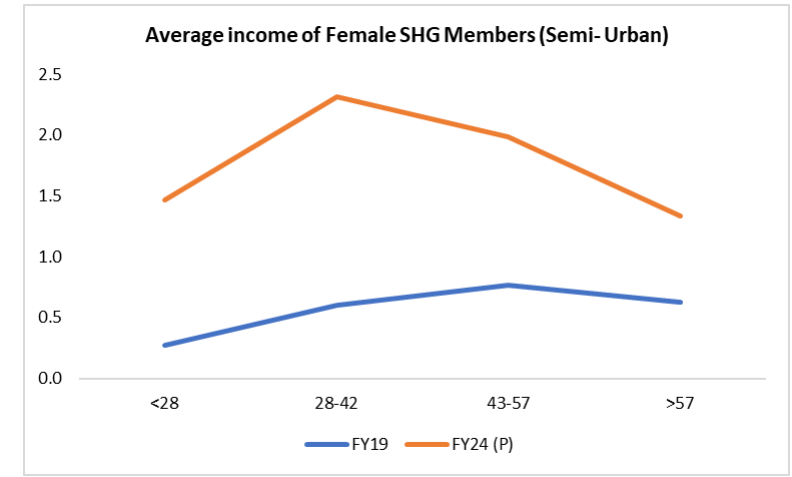
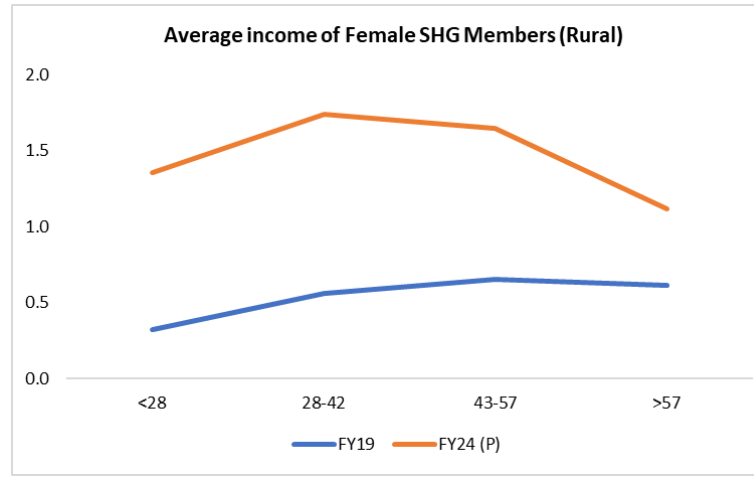
The jump in Rural Female LFPR is significantly correlated with the rise in Female SHG members income...a 11% jump associated with 2.25 times jump in income in only 4 years...

- With the rise of income of female SHG members, rural female LFPR (all ages) is also rising: correlation 0.91

Rural Female LFPR increasing due to SHGs		
FY	Rural Female LFPR	Rural SHG members Indexed Credit Income
FY19	19.7	100
FY20	24.7	126
FY21	27.7	152
FY22	27.2	190
FY23	30.5	225
Correlation		0.91
Source: SBI Research		

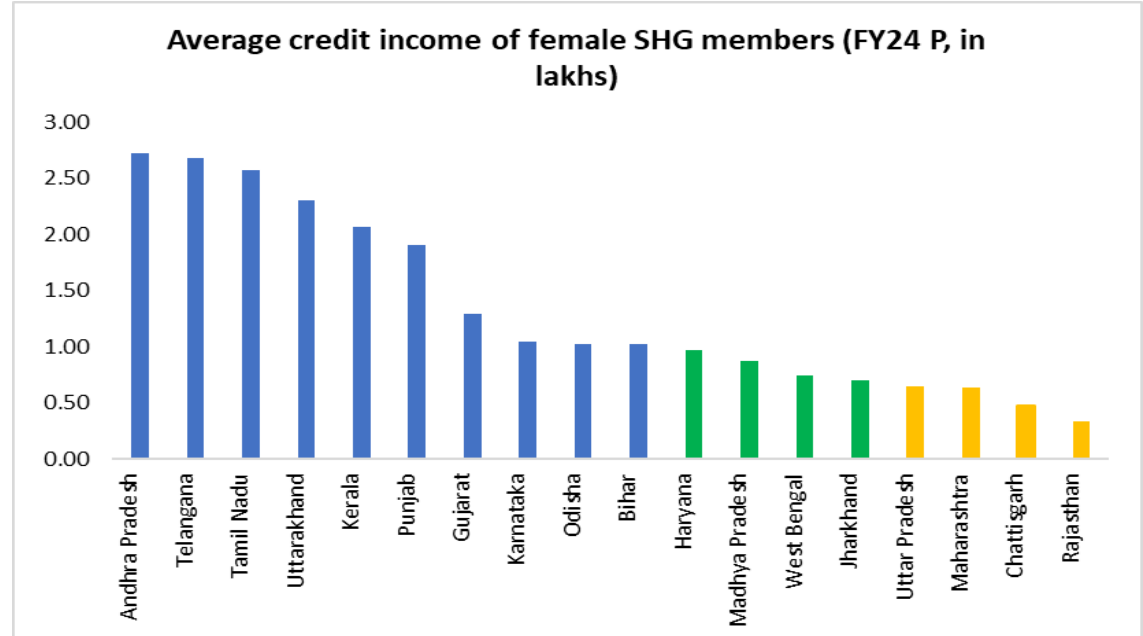
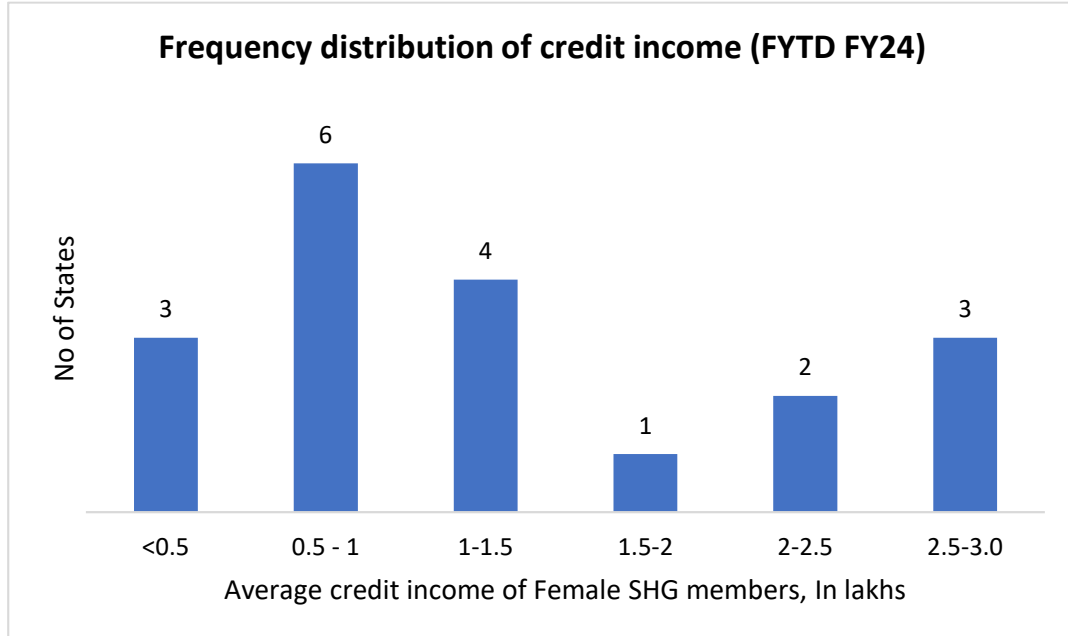
Catch them young...Lakhpati Didis

- All the regions, have witnessed increase in income of female SHG members belonging to 28 to 42 years in FY24 when compared to FY19
- For metro maximum increase is in age group <27 years



*Average income in lakhs

- ❑ While Andhra Pradesh and Telangana are leaders in SHGs, however, other states like Tamil Nadu, Uttarakhand, Kerala, Punjab, Gujarat have also significantly increased female SHG incomes and have Lakhpati Didis in abandon
- ❑ **Female SHG members of Haryana, MP, West Bengal, Karnataka and Jharkhand are expected to cross annual income of Rs 1 lakhs in 1 year..Lakhpati Didis**
- ❑ **Female SHG members of UP, Maharashtra, Chhattisgarh, and Rajasthan may take 2 years in earning annual income of Rs 1 lakhs**
- ❑ **By FY27, most states in India will have Lakhpati Didis**



- Out of top 20 districts with highest avg credit income of Female SHG Members, 15 are rural districts

Top Districts in India with highest avg credit income of Female SHG Members								
States	District	Rural/urban	FY19	FY20	FY21	FY22	FY23	FY24 (P)
Andhra Pradesh	Annamayya	Rural	100	150	197	228	289	368
	SPS Nellore	Rural	100	131	171	231	265	380
	Y.S.R.	Rural	100	155	200	261	272	419
	Ntr	Rural	100	138	185	236	313	473
	Chittoor	Rural	100	102	148	200	225	376
	Tirupati	Rural	100	115	128	186	308	401
	West Godavari	Rural	100	123	149	190	205	305
	Eluru	Rural	100	143	178	188	226	315
	Srikakulam	Rural	100	124	153	209	295	336
	State Average			100	139	180	235	278
Telangana	Mulugu	Rural	100	174	231	244	285	365
	Medchal-Malkajgiri	Urban	100	150	182	248	319	583
	Jangaon	Urban	100	156	196	253	327	440
	Nizamabad	Rural	100	110	163	210	229	308
	Karimnagar	Urban	100	100	179	436	574	741
	Warangal Rural	Rural	100	121	185	249	293	400
	Rajanna (Sircilla)	Rural	100	101	150	215	205	314
	Warangal Urban	Urban	100	130	189	289	258	347
	Mancherial	Urban	100	108	216	268	303	257
	Jayashankar Bhupalapally	Rural	100	125	186	237	294	353
	Bhadradri Kothagudem	Rural	100	159	205	243	306	360
	State Average			100	140	199	246	292

Source: SBI research

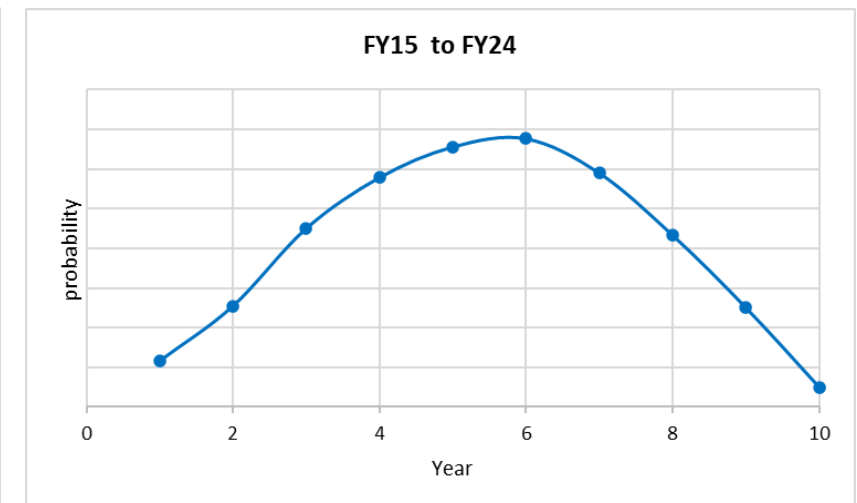
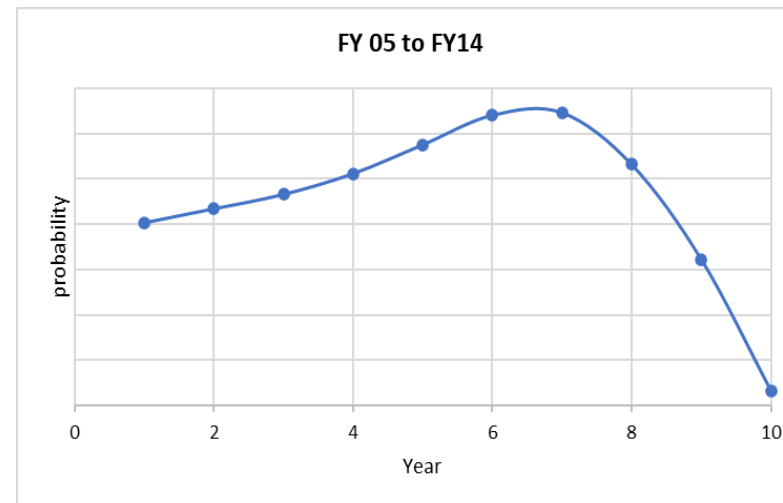
HOW THE RURAL INDIA IS SCRIPTING A NEW STORY

Rural income post FY14 is more equal than what it was pre FY14...expressing the growth in real terms post FY14 and comparing it with pre FY14 is a misleading narrative

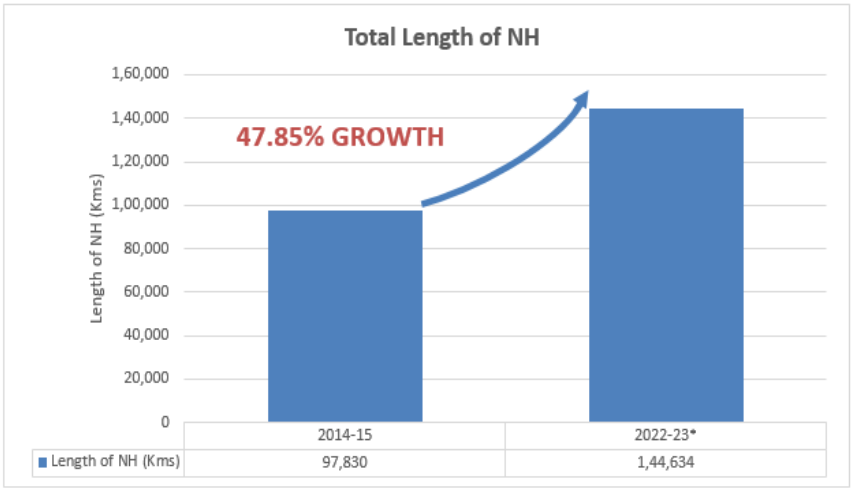
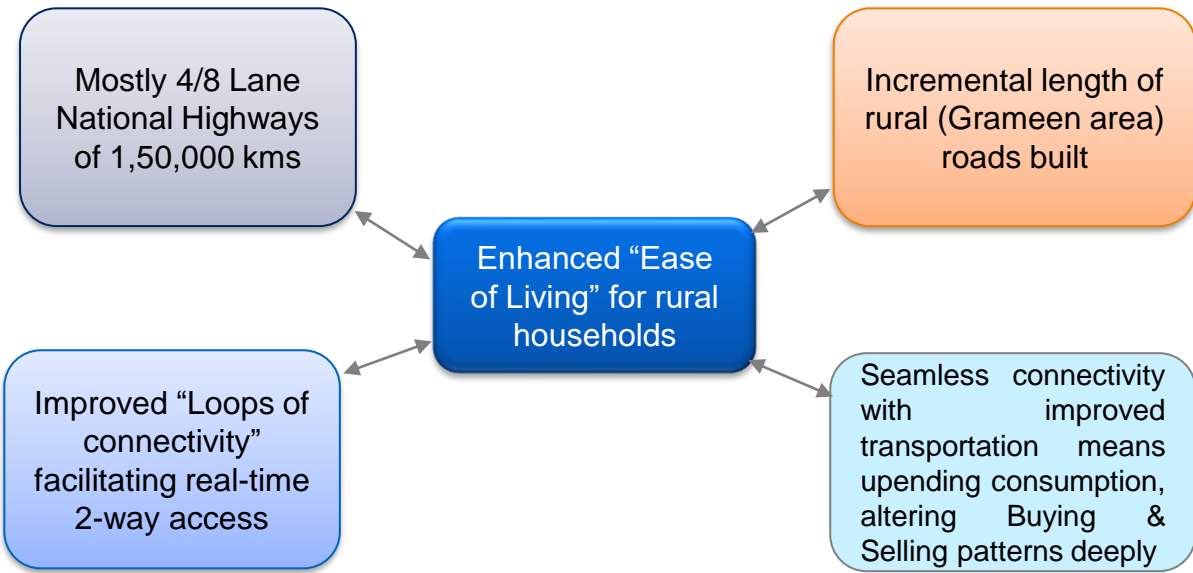
- ❑ The distribution of wages during FY05-FY14 followed a non-normal distribution indicating prevalence of more extreme values further away from the mean thus accentuating wage inequality
- ❑ The distribution of wages during FY15-FY23 clearly follows a normal distribution indicating cluster of values closeted around the mean reinforcing wage equality
- ❑ **During FY05-FY14, average nominal wage of agricultural labourers was at Rs 114.4 that increased to Rs 310.2 during FY15-FY23. The nominal wages of non-agricultural labourers during FY05-FY14, were at Rs 136.3, that increased to Rs 354.7 in FY15-FY23. At an aggregate basis, nominal wages work out to be at Rs 125.4 and Rs 333.6 during the 2 regimes-a jump of 2.7 times in average nominal wage in current regime**

Frequency distribution of Rural wages (Nominal)

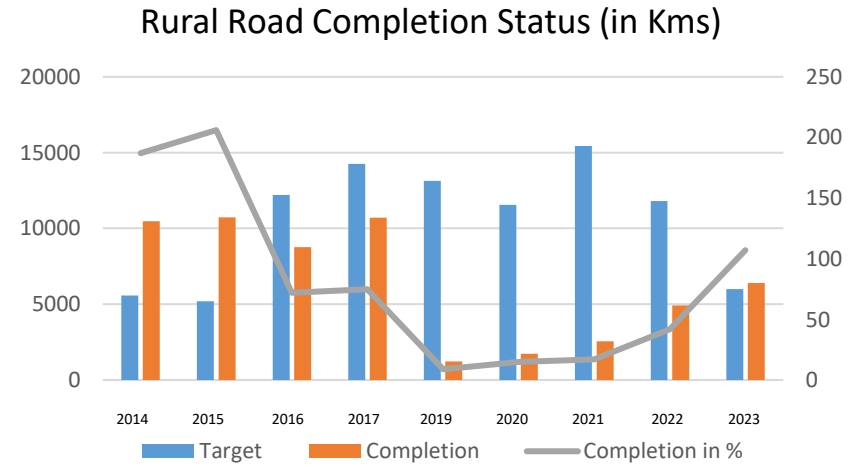
Rural Wage rate_ Descriptive statistics		
	FY05-FY14	FY15- FY23
Nominal		
Mean	125.4	333.6
SD	56.5	45.4
C.V	45.0%	13.6%
Real		
Mean	0.98	2.27
SD	0.61	0.04
C.V	58.1%	1.6%



- ❑ Improvement in physical (road/rail) infrastructure and connectivity is changing the rural demand and supply pattern as easy access to key markets from hinterland areas is getting reflected in numbers...a farmer can travel many kms easily to buy and sell things and these purchases will be counted in urban numbers (**implying less numbers captured for RUSU areas**) even though they are bought by primarily rural populace. **The horizontal integration of cities with surrounding areas (as against the vertical growth hitherto) needs to be factored while computing rural demand/numbers**
- ❑ Agri credit is growing along all pillars, pure crops specific lending to allied activities; dairy, fisheries, horticulture are some of the biggest growth drivers for agri credit...also, there is growing awareness in rural/semi-urban youth about credit score implications and thus a behavioural change is under way
- ❑ PM-KISAN accounts are now being linked with KCCs on a massive scale....evidence of universal formalisation of agri credit
- ❑ National Agriculture Infra Financing Facility (AIF) with a corpus size of Rs 1 lakh cr aims to improve marketing infrastructure to allow farmers to sell directly to a larger base of consumers and hence, increase value realization for the farmers...now being increasingly leveraged by Banks...



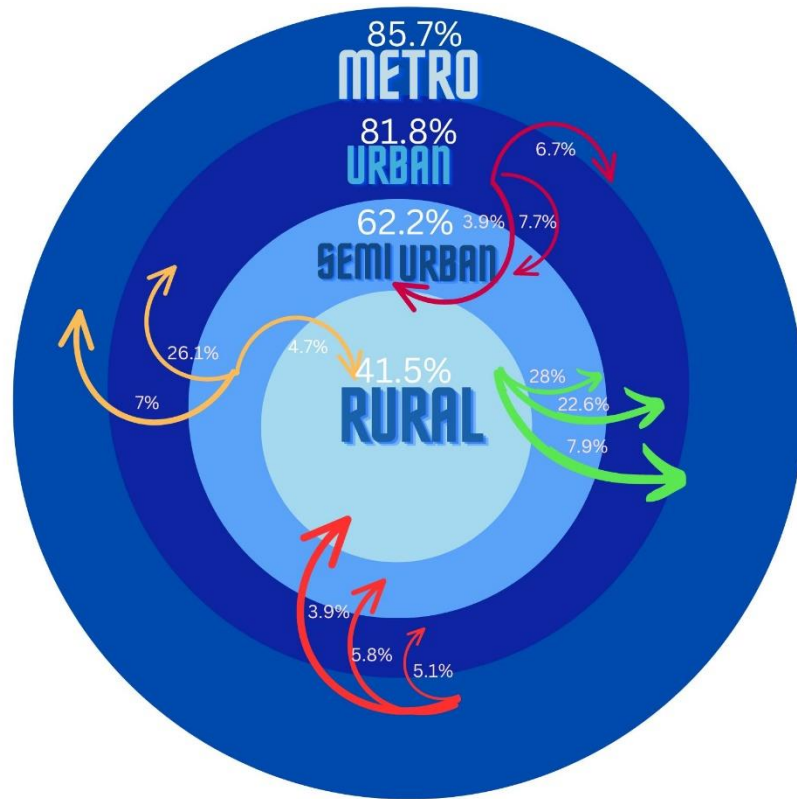
Pradhan Mantri Gram Sadak Yojana (PMGSY) boosting rural connectivity with ~7,50,000 kms of roads built since 2002



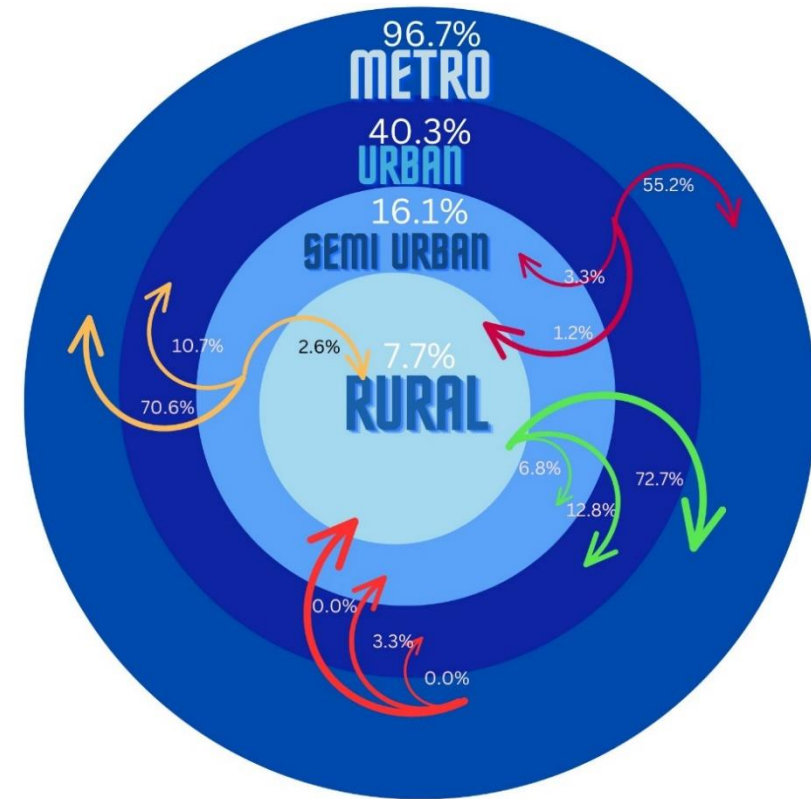
~1,50,000 kms NH length as on date

Inter-District Upward Mobility of Expenditure is showing an exponential growth

- 72.7% of Rural SHG POS transactions are in Metro Region are outside their districts.... Rural SHG members also spend considerably well in Semi-Urban and Urban region
- 30.5% of Rural ATM transactions are in Urban and Metro Region and outside their districts
- The better Rural Urban Infrastructure is also ensuring people from Urban regions spending in outside their districts...4.5% of POS spend of Urban areas are in Rural and Semi Urban....



ATM



POS

- Income from SHG gives the members purchasing power to spend in not just their own district but also in other districts of their own as well as other states
- Distance travelled by SHG members can be to nearest district to as far as within State from 20 km to 2000 kms

Expenditures within their States		
Home District	Expenditure District	Distance Travelled
Cooch Behar	Alipurduar	22
Mysuru	Chamarajanagara	60
Vizianagaram	Visakhapatnam	68
Sheohar	Patna	126
Tehri Garhwal	Dehradun	148
Source: SBI Research		

Expenditure Outside their States				
Home District	Home State	Expenditure District	Expenditure State	Distance Travelled
Shimla	Himachal pradesh	Panchkula	Haryana	101
Gopalganj	Bihar	Calcutta	West Bengal	723
Srikakulam	Andhra Pradesh	Bhopal	Madhya Pradesh	1115
Madhubani	Bihar	Ludhiana	Punjab	1523
Prakasam	Andhra Pradesh	Lucknow	Uttar Pradesh	1647
Samastipur	Bihar	Mumbai	Maharashtra	1826
Bokaro	Jharkhand	Bengaluru	Karnataka	1928
Annamayya	Andhra Pradesh	Delhi	Delhi	2074
Source: SBI Research				

- Expenditure at ATM is nearly constant during FY19-23 for SHG members indicating significant popularity of UPI transactions

Region wise Average Expenditure of SHG Members through ATM					
FY	Overall	Rural	Semi-Urban	Urban	Metro
FY20	100	100	100	100	100
FY21	89	97	88	82	80
FY22	103	95	101	118	106
FY23	105	91	101	125	124
FYTD 24	86	73	81	104	103
Source: SBI Research					

Expenditure of SHG members through POS has increased 1.7 times in last 4 years

- Average SHG members spending at POS has increased by 1.7 times during FY20-FY23
- Highest spending is observed in Urban and Metro region

Region wise Average Expenditure of SHG Members through POS					
FY	Overall	Rural	Semi-Urban	Urban	Metro
FY20	100	100	100	100	100
FY21	129	178	87	132	136
FY22	145	209	115	151	147
FY23	174	146	98	181	203
FYTD 24	128	141	71	123	149
Source: SBI Research					

- ❑ SHG members are also found to be spending majorly through UPI only
- ❑ Share of Person to Merchant transactions in UPI transactions by SHG members has nearly doubled in four years across four regions in the country

Region wise Average Expenditure of SHG Members through UPI					
FY	Overall	Rural	Semi-Urban	Urban	Metro
FY22	100	100	100	100	100
FY23	167	168	167	164	150
FYTD 24	177	180	175	183	154

Source: SBI Research

Share of P2M transactions in Overall UPI transactions by SHG members				
FY	RURAL	SEMI_URBAN	URBAN	METRO
FY21	6.9	7.2	8.8	6.6
FY22	8.7	8.5	9.4	10.1
FY23	10.8	11.1	12.4	11.8
FY24	12.1	12.3	13.0	13.4

Source: SBI Research

- Expenditure through Aadhar Enabled system is increased by at least 3 times in FY24 from FY23 in all regions

Region wise Average Expenditure of SHG Members through AEPS					
FY	Overall	Rural	Semi-Urban	Urban	Metro
FY23	100	100	100	100	100
FYTD 24	345	329	361	420	508

Source: SBI Research

- Average Limit Sanctioned to SHGs has increased 2.2 times in FY24 when compared to FY19
- Limit has been judiciously utilized by SHGs with credit demand increasing and average limit utilization so far has not crossed 80%
- Credit taken is also been repaid continuously, with average credit repayment increasing by 3.9 times in FY24 over FY19

Microfinancial Health of SHGs			
FY	Limit Sanctioned	Outstanding on 31st march	Annual Credit on Account
FY19	100	100	100
FY20	110	104	268
FY21	124	119	338
FY22	148	150	398
FY23	175	170	405
FY24 (till Dec)	216	232	392

Source: SBI Research

- ❑ **SBI has been a pioneering ‘partner-in-progress’ in SHG’s sojourn to scale new highs (the Agri portfolio has grown above ₹ 3,00,000 crore now while the SHG portfolio of the Bank has touched new milestone of ₹ 50,000 crore on date)...the bank has led from the front** drive targeting not only pure agri domains (KCC augmenting crop cycle to infra/market investments to new products that add value across supply chain facilitating price discovery to procurement) but also spearheaded the allied agri activities that are a critical vector in accentuating farming income and one of the marquee schemes launched by the bank to enable entrepreneurial spirit of members to embark upon new ventures is **SVAYAM SIDDHA**....*A novel approach that facilitates recognition of SHG members’ desire to foray into new ventures as it links select identified MSME schemes under the ambit of SVAYAM SIDDHA.....*
- ❑ **The Svayam Siddha is not a product or scheme but is an initiative for financing women members of SHGs who are aspiring to become independent women micro entrepreneurs in Rural and Semi Urban areas with ease while addressing/removing their pain points.**
- ❑ Policy thrust on deepening credit to the entrepreneurial individual WOMEN members of the SHGs necessitates making the ecosystem frictionless by devising umbrella scheme that encompass key identified projects under DAY-NRLM where majority of micro entrepreneurs venture into by overcoming the costly dependence on third party providers for Draft Project Report (DPR) / Projected Balance Sheet / Fund flow/Cashflow Statement but strengthening the eligibility / identification / monitoring and end usage of funds

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