

A Comprehensive Study of Financial Facilities to SHGs for Sustainable Growth in India: State and Social Category Perspectives

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Abstract

This paper is based on descriptive analysis of the Self-Help Groups (SHGs) in the various states and union territories of the India. It examines key indicators such as the number of SHGs formed, households mobilized, social category-wise participation and fund allocations. The study highlights disparities across states by comparing performance. These insights serve as diagnostic tools for identifying areas needing targeted policy interventions. This paper is divided into four sections. The first section will help us to understand the concept and significance of SHGs in the Indian context. The second section is based on the review of relevant literature and identifies critical research gaps, especially regarding state-wise and social category-wise analysis. The third section, divided into three subsections, presents empirical findings: (i) a comparative analysis of SHG formation and household mobilization across states; (ii) participation trends based on social categories (SC, ST, OBC, and Others); and (iii) a year-wise analysis of central government fund allocations under NRLM and NRETP, highlighting growth trends over four years. The final section synthesizes the key findings and offers a broader perspective for future research and policy formulation.

Keywords: Self-Help Groups (SHGs), Financial Inclusion, Microfinance, Rural Development, Economic Growth, Poverty Alleviation, Fund Utilization, Social Inclusion, Sustainable Development

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1. Introduction

Microfinance in India is growing rapidly and gaining attention from companies and financial institutions because it effectively helps reduce poverty. (Sinha et al., 2012). Self-Help Groups (SHGs) are now act as a significant source of microcredit for low-income rural women. It will encourage low-income group people to engage in entrepreneurial activities that will enhance their livelihood and financial freedom. (Ghosh, 2012; Laha & Kuri, 2014). The programs like SHGs are internationally recognized as an important part of the economic system that help in reducing poverty and addressing rural unemployment. For growth of an emerging economies, policymakers made efforts to improve credit access and strengthen microfinancing by encouraging more people to join and benefit from program like Self-Help Groups (SHGs). (Joshi, 2019; Ray, 2008). Women's empowerment is new terms is associated with the boost in number of female entrepreneurs. (Deka, 2018). The Indian Constitution, under Article 14, protects the right to equality for all citizens as it helps in achieving sustainable development. Women's participation in the labour force has shown a positive trend that increase from 23.3% in 2017 to 37% in 2022–23 (as per the Periodic Labour Survey of India), on other hand economically empowered women face significant personal, societal, and organizational barriers that limit their career growth. (Ghosh et al., 2023). SHGs also helped to promote microfinance, which is widely acknowledged for playing a key role in transforming rural India. It helped to mobilize small savings at a low cost from rural population, those have limited education and were excluded from the formal banking system. (Srikanth et al., 2022). Additionally, microfinance has given low-income households microloans without the need for collateral securities, that ease them to manage immediate financial difficulties and give them a new source of income. This provided easy access to loans has enhanced the sustainability of livelihoods for the rural poor. Above all, it has assisted the poor in meeting their fundamental requirements and safeguarding themselves against threats to their livelihood. (Banerjee & Duflo, 2011). Development studies face both advancements and obstacles. The Brundtland Commission's defined sustainable development is still ambiguous, giving rise to different interpretations. Even though sustainable development goals improve the idea, they

still have trouble in defining economic sustainability. Microfinance offers a balanced approach to social growth by empowering low-income groups, ensuring economic stability, and encouraging environmental sustainability. (Manioudis & Meramveliotakis, 2022). The role of Small and medium-sized enterprises (SMEs) are vital for sustainable development, that make up 90% of global businesses and help in generating employment over 50% of the workforce, but the COVID-19 pandemic severely affected SMEs that caused significant revenue losses and endangering their survival. As a result, in May 2020, 41% of UK SMEs closed, Within the first four months, 25–36% of small enterprises in Spain faced the possibility of permanent closure, and the country saw a 43% loss. (Meramveliotakis & Manioudis, 2021).

2. Review of Literature: In developing nations, microfinance and Self-Help Groups (SHGs) are commonly endorsed as efficient means of promoting gender equality and alleviating poverty. (Garikipati, 2012). These programs are considered as successful means of empowering local, particularly women, by providing them with access to financial services, resources, and skill-building opportunities. Microfinance and SHGs can assist marginalized individuals in escaping poverty that will create sustainable livelihoods, and support social and economic advancement while advancing gender equality and inclusive growth. (Ghosh, 2012; Deininger & Liu, 2013; Unni et al., 2021) By enhancing their bargaining power and bringing about revolutionary shifts in household decision-making, microfinance empowers women. (Swain & Wallentin, 2012). Even with India's economic expansion, gender inequality is still a major issue. Women make up roughly 48% of the population yet represent only 20.5% of the workforce. Of these women, 60% are employed in agriculture and related sectors. (Ghosh et al., 2023; Madgavkar et al., 2019).

Self-Help Groups (SHGs) have an important role in empowering rural women in India by providing entrepreneurship opportunities. These programmes give women a place to work together, share resources, and take part in a range of economic opportunities. SHGs are considered as a successful strategy for empowering women and lowering poverty in rural regions. (Rajagopal, 2020). Another set of studies highlighted that positive social change can be seen from women's participation in microfinance initiatives and empowerment by expanding their economic duties and releasing them from the constraints of the home. These programs are made on a group-based model, thinking that group involvement empowers people more than individual. The crucial financial support, such as savings and loans, women are empowered to start or expand businesses that lead to increased income opportunities. (Osmani, 1998; Sahu, 2014). Microfinance through SHGs enables women to significantly enhance their standard of living, elevate their social status, and play a more active role in household decision-making, helping them break free from traditional domestic constraints. (Kumar et al., 2021). It is found that microfinance activities have mainly targeted women due to their excellent payback record and the positive impact they have on family welfare. (Sinha et al., 2012). Because of women's involvement in these initiatives, household consumption, income, and savings have all significantly improved, which lead to a significant reduction in poverty within these households. (Khan et al., 2022). As per United Nations Development Programme, 2019 the fifth Sustainable Development Goal focused on "Gender Equality". The main issues address as per UNDP are such as discrimination, sexual abuse, wage inequality, and unpaid domestic work. It also includes indicators to measure growth, such as Preventing violence against women, ending discrimination, eliminating harmful practices, and promoting women's participation in leadership and decision-making. (UNDP, 2019). Rural women engaged in entrepreneurship have benefited economically, socially, and culturally from the community-based sustainable business model. (Haugh & Talwar, 2014; Ghosh et al., 2023). Women's entrepreneurship significantly improved the power dynamics in the home, which decreased reliance on men. (Hazarika & Goswami, 2016; Kumari & Eguruze, 2021).

2.1 Summarised Review: The above studies the role of microfinance and Self-Help Groups (SHGs) in empowering women, reducing poverty, and fostering sustainable development. Microfinance in India is rapidly growing, attracting attention for its ability to help rural women by providing microcredit, which supports their entrepreneurial activities, enhances financial independence, and promotes socio-economic growth. Despite India's economic growth, gender inequality persists, with women being underrepresented in the workforce, particularly in agriculture. SHGs play a vital role in empowering rural women by providing access to financial services, resources, and skills training, which helps them overcome poverty and societal limitations. Studies have shown that women's involvement in microfinance activities leads to significant improvements in household decision-making and financial stability, contributing to gender equality. These initiatives are essential for promoting economic stability, reducing poverty, and fostering inclusive growth, especially in emerging economies. However, barriers such as discrimination, violence, and inequality continue

to hinder women's full participation in the economy. The studies also emphasize the importance of the fifth Sustainable Development Goal, "Gender Equality," which addresses various women's issues, including violence, wage inequality, and unpaid domestic work. Microfinance and SHGs are recognized as powerful tools in addressing these issues, fostering both individual and collective empowerment. Through participation in these programs, women can break free from traditional household roles, improve their standard of living, and enhance their bargaining power, thus contributing to broader social and economic development. The studies discussed can be classified into the following categories: Sinha et al. (2012), Ghosh (2012), Laha & Kuri (2014) Rajagopal (2020) focus on how microfinance and SHGs serve as tools for poverty reduction, women's empowerment, and socio-economic development. Swain & Wallentin (2012), Kumar et al. (2021) and Hazarika & Goswami (2016) highlighted the impact of microfinance and SHGs on women's decision-making power, household dynamics, and gender equality. Few studies explore the broader role of microfinance in contributing to sustainable development, economic stability, and community growth; Banerjee & Duflo (2011), Manioudis & Meramveliotakis (2022) are few studies that focus on microfinance's role in fostering economic stability and environmental sustainability. Ghosh et al. (2023), Chant (2014) and Khan et al. (2020) examined the barriers that continue to limit women's participation in the workforce and the challenges they face, including societal, personal, and organizational obstacles. Few Studies in this analyze the connection between the SDGs, particularly Goal 5 on Gender Equality, and how microfinance and SHGs contribute to achieving these goals, such as UNDP (2019) on the indicators to measure gender equality in the SDGs. Garikipati (2012) on how microfinance addresses gender equality in developing countries. Meramveliotakis & Manioudis (2021) focused on the importance of SMEs for sustainable development and the impact of the COVID-19 pandemic on their survival, particularly for women entrepreneurs. Each category explores different dimensions of how microfinance, SHGs, and related initiatives contribute to women's empowerment, poverty alleviation, and sustainable development, while also addressing the ongoing challenges women face in accessing opportunities and achieving economic independence.

2.2 Research Gap: Past Studies extensively explains how SHGs and microfinance can empower women and reducing poverty, most studies emphasize qualitative impacts such as empowerment, social mobility, and household decision-making. However, there is limited empirical research on systematically analyzes the distribution and access to financial facilities such as loans, revolving funds, and capacity-building support among SHGs across different Indian states and social categories (e.g., SC, ST, OBC, Minority, and General categories). No study found that can evaluates disparities in financial support and its outcomes in different states. Despite the fact that SHGs and microfinance have been extensively researched for their roles in empowering women and reducing poverty, there remains a noticeable gap in understanding how financial facilities provided to SHGs are distributed, accessed, and utilized across different states and social categories in India. This gap limits the ability to evaluate the equity and effectiveness of SHG programs in fostering sustainable and inclusive growth. A comprehensive, comparative study addressing these dimensions is essential to inform policy and improve the targeting and design of SHG-based financial interventions.

2.3 Objectives of the study: This study is a descriptive approach to analyze the impact of Self-Help Groups (SHGs) on financial inclusion, social empowerment, and sustainable development in India. The primary objectives of the study are;

- (i) The study aims to determine the number of people employed through SHGs in India, categorized state-wise, to identify regions requiring greater policy intervention.
- (ii) It examines the proportion of different social groups (SC, ST, Minority, PWD, Others) benefiting from SHG initiatives at the state level.
- (iii) Its analysis of the fund allocation, release & expenditure Trends from year 2019 to year 2023

2.4 Data Source: The study is based on secondary data that has been gathered from official sources such as the National Rural Livelihood Mission (NRLM), Press Information Bureau (PIB), and other government reports. The study covers data till January 2025 and provides an in-depth analysis of SHG formation, household mobilization, and fund utilization trends from 2019-20 to 2022-23. The research evaluates SHG member categorization (SC, ST, Minority, PWD, Others), state-wise fund allocations, releases, and expenditures, and their effectiveness in promoting financial inclusion. Statistical methods such as percentage analysis, comparative analysis, and trend evaluation have been applied to interpret the findings effectively.

3. Data Analysis of Self-Help Groups (SHGs) for Sustainable Growth in India:

3.1 SHG Formation and Household Mobilization Across Indian States: This dataset provides insights into Self-Help Groups (SHGs) formed and households mobilized across various states in India. The data highlights the percentage contribution of each state to the overall SHG formation and household mobilization. Below is a detailed breakdown:

Table 1: State/UT wise details of the households mobilized & SHGs Formed as on 31st January, 2025

S.No	State/UTs	SHGs Formed	% of SHG formed in each State	Households Mobilized into SHGs	% of Household Mobilised into SHGs in Each State
1	Andhra Pradesh	855600	9.41	9075289	9.03
2	Assam	361516	3.98	4111020	4.09
3	Bihar	1097100	12.07	12713428	12.65
4	Chhattisgarh	276375	3.04	3068427	3.05
5	Gujarat	279758	3.08	2783006	2.77
6	Jharkhand	291601	3.21	3589607	3.57
7	Karnataka	360684	3.97	4207374	4.19
8	Kerala	271209	2.98	4002478	3.98
9	Madhya Pradesh	487291	5.36	5829972	5.80
10	Maharashtra	640719	7.05	6525549	6.49
11	Odisha	551141	6.06	5775035	5.75
12	Rajasthan	321875	3.54	3804161	3.78
13	Tamil Nadu	336764	3.70	4023939	4.00
14	Telangana	442979	4.87	4820573	4.80
15	Uttar Pradesh	842101	9.26	9509884	9.46
16	West Bengal	1192980	13.12	12251533	12.19
17	Haryana	60301	0.66	629094	0.63
18	Himachal Pradesh	45295	0.50	378542	0.38
19	Jammu & Kashmir	91445	1.01	797805	0.79
20	Punjab	52118	0.57	543246	0.54
21	Uttarakhand	65840	0.72	497777	0.50
22	Arunachal Pradesh	11730	0.13	91964	0.09
23	Manipur	11538	0.13	117457	0.12
24	Meghalaya	45312	0.50	444264	0.44
25	Mizoram	10291	0.11	85934	0.09
26	Nagaland	15419	0.17	135261	0.13
27	Sikkim	5915	0.07	56675	0.06
28	Tripura	51841	0.57	494675	0.49
29	Andaman & Nicobar Islands	1294	0.01	13194	0.01
30	Goa	3891	0.04	50735	0.05
31	Ladakh	1745	0.02	12230	0.01
32	Lakshadweep	348	0.00	4363	0.00
33	Puducherry	4744	0.05	59714	0.06
34	Daman DIU and NH	1645	0.02	16674	0.02
	Total	9090405	100.00	100520879	100.00

Source: www.pib.gov.in and author's calculation

The states with highest SHG formation are Bihar (1,097,100 SHGs) with 12.06% of total SHGs, West Bengal (1,192,980 SHGs) with 13.12% of total SHGs and Uttar Pradesh (842,101 SHGs) with 9.26% of total SHGs. These states account for a large share of SHG formation, indicating significant microfinance and self-employment initiatives.

States with Highest Household Mobilization are West Bengal (12,215,533 households) with 12.13% of total mobilized households, Bihar (12,713,428 households) with 12.65% of total mobilized households and Uttar Pradesh (9,509,884 households) 9.46% of total mobilized households. This suggests that these states have successfully linked a higher number of households to SHG programs.

In case of union territory Lakshadweep (348 SHGs) is not at all having any SHGs, Andaman & Nicobar Islands (1,294 SHGs) is just 0.01% of total SHGs and Daman, Diu & Nagar Haveli (1,645 SHGs) also very low at 0.02% of total SHGs. These union territories have minimal SHG formation, possibly due to small populations and lower program outreach. This indicates that in some smaller and remote regions, SHG penetration is relatively weak. Some states have formed a large number of SHGs but have not mobilized as many households; Telangana with 4.87% SHGs formed, but only 4.80% households mobilized. In Odisha about 6.06% SHGs formed, but only 5.75% households mobilized. Whereas in Madhya Pradesh share is of 5.38%, but only 5.72% households mobilized. This suggests that while SHGs are being set up, they might not be engaging as many households as expected. In some states, fewer SHGs have been formed, but they have engaged a higher percentage of households such as Bihar with 12.06% SHGs formed, but 12.65% households mobilized, West Bengal with 13.12% SHGs formed, but 12.13% households mobilized. Uttar Pradesh with 9.26% SHGs formed, but 9.46% households mobilized. This suggests stronger SHG networks, with each SHG covering more households than the national average.

To sum up (table 1) the data on regional basis, Eastern & Northern States like Bihar, West Bengal, and Uttar Pradesh dominate SHG formation and household mobilization. Whereas Southern states like Tamil Nadu, Telangana, and Karnataka have a steady SHG presence but lag in household mobilization. Northeastern states (Arunachal Pradesh, Mizoram, Nagaland, Meghalaya) have lower participation levels, possibly due to geographical and demographic constraints. Bihar, West Bengal, and Uttar Pradesh lead in both SHG formation & household mobilization, Lakshadweep, Andaman & Nicobar, and Daman & Diu have the lowest numbers. Some states form many SHGs but do not engage as many households effectively. Improving outreach in smaller and remote states can enhance nationwide SHG participation.

3.2 The Self-Help Groups (SHGs) Member Social Category Wise (State Level) till the Year 2023: The table 2 provides information of SHG membership across different social categories in various states and regions of India.

Table No. 2 SHGs Member Social Category Wise (State Level) till year 2023

S.No	States	SC	ST	Minority	PWD	Others
1	ANDHRA PRADESH	1745331	554779	29933	240283	6066982
2	BIHAR	2542691	251333	1133423	16092	6221464
3	CHHATTISGARH	332311	1101160	17484	103306	1250908
4	GUJARAT	278245	802657	77675	31735	1435688
5	JHARKHAND	492763	953043	193257	20166	1365332
6	KARNATAKA	494866	230294	138686	99479	1720635
7	KERALA	378726	64939	595686	87321	2179408
8	MADHYA PRADESH	991358	1868789	83806	70796	2301946
9	MAHARASHTRA	776442	875045	213241	99503	3979454
10	ODISHA	974418	1230718	86395	82059	2990865
11	RAJASTHAN	634526	775865	82777	52226	1018075
12	TAMIL NADU	958014	60727	134652	273848	2142240
13	TELANGANA	838473	508172	125364	14441	2389363

14	UTTAR PRADESH	2802098	93766	516406	273049	4731784
15	WEST BENGAL	3554317	747504	2746430	86739	3606161
16	HARYANA	270274	1880	39533	2284	251418
17	HIMACHAL PRADESH	100635	17175	2952	1976	211823
18	JAMMU AND KASHMIR	83472	55727	3260	3742	502001
19	PUNJAB	336757	258	15455	6002	125462
20	UTTARAKHAND	115865	27094	22220	11012	289634
Sub Total		18701582	10220925	6258635	1576059	44780643
NORTH EAST STATES						
1	ARUNACHAL PRADESH	404	70015	1485	1601	5701
2	ASSAM	377617	675020	1204082	6493	1583788
3	MANIPUR	4436	39275	9954	522	55252
4	MEGHALAYA	3879	365367	16840	5539	4459
5	MIZORAM	78	63316	11	853	26
6	NAGALAND	112	108693	4	2909	295
7	SIKKIM	3105	18963	5571	692	22459
8	TRIPURA	100622	149925	34501	2827	149101
Sub Total		490253	1490574	1272448	21436	1821081
UNION TERRITORIES						
1	ANDAMAN AND NICOBAR	11	413	2006	122	9565
2	GOA	1018	7614	2995	129	30228
3	LADAKH	53	11021	35	36	36
4	LAKSHADWEEP	4	3900	28	105	0
5	PUDUCHERRY	12158	218	1828	1653	36386
6	DADRA AND NAGAR HAVELI AND DAMAN AND DIU	416	13129	26	75	1893
Sub Total		13660	36295	6918	2120	78108
Total		19205495	11711499	7531083	2087748	46601724

Source: www.nrlm.gov.in

The table 2 is observed for state-wise Analysis, where highest SHG membership is in West Bengal that leads in overall SHG membership across categories. Bihar and Uttar Pradesh have a significant number of SHG members in the SC and Minority categories. Madhya Pradesh and Odisha have large SHG participation from ST communities.

Table 2 (a) Key Observations by Category (State-wise)

Category	Highest Participation (State-wise)		
	1	2	3
SC	West Bengal (35.54 lakh)	Uttar Pradesh (28.02 lakh)	Bihar (25.42 lakh).
ST	Madhya Pradesh (18.68 lakh)	Odisha (12.30 lakh)	Chhattisgarh (11.01 lakh).
Minority	West Bengal (27.46 lakh)	Assam (12.04 lakh)	Bihar (11.33 lakh)

PWD	Tamil Nadu (2.73 lakh)	Uttar Pradesh (2.73 lakh)	Bihar (16,092).
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Source: Author's Observation

Considering the geographical examination of central and northern India, states such as Madhya Pradesh, Uttar Pradesh, and Bihar have significant levels of SHG participation, particularly in SC and Minority groups. For eastern India West Bengal and Odisha lead in SHG formation, with high Minority and ST participation, respectively. In southern India; Tamil Nadu, Karnataka, and Andhra Pradesh have a balanced SHG distribution across all categories. Considering North-Eastern States, Assam has the highest SHG members among NE states, particularly in Minority and ST categories. Whereas in Union Territories, Puducherry and Goa have relatively higher SHG participation compared to other UTs.

Table 2 (b) National-Level Summary of category-wise Members

Category	Total Members	% of Total SHG Members
SC	1.92 crore	19.6%
ST	1.17 crore	12.0%
Minority	75.31 lakh	7.7%
PWD	20.87 lakh	2.1%
Others	4.66 crore	47.6%

Source: Author's calculation

SHGs play a vital role in financial inclusion across different social categories. SC, ST, and Minority groups form a significant portion of SHG members, contributing to economic empowerment. Regional disparities exist, with some states showing higher participation in particular categories. Policy focuses on financial inclusion, women's empowerment, and entrepreneurship development through SHGs has led to increased membership.

3.3 Analysis of Fund Allocation, Release & Expenditure Trends from 2019-23 (up to June): In 2021-22 the total central allocation is ₹67,400.13 lakh; total central release is ₹73,080.5 lakh and total expenditure worth ₹61,769.5 lakh. In this year had the highest central allocation so far (₹67,400.13 lakh). For the first time, the amount released (₹73,080.5 lakh) exceeded the allocated budget the reason may be additional grants. Expenditure remained high but did not fully match the released amount. Major spending states are Bihar, Uttar Pradesh, Maharashtra, and West Bengal. Again, underutilization is observed in smaller states.

To summarised all four-year data every year, central funds allocated for NRLM and NRETP increased significantly. Though states are spending more over the years, some funds remain unutilized. A few states consistently underutilize funds (e.g., Lakshadweep, Goa, Puducherry, Daman & Diu). Compared to NRETP, the NRLM component has higher releases and expenses. West Bengal, Uttar Pradesh, Maharashtra, and Bihar are regularly among the states with the best money usage records.

Table No. 3 Analysis of Fund Allocation, Release & Expenditure Trends from 2019-23 (up to June)

Year	Total Allocation	Total Release	Total Expenditure	Remarks
2019-20	₹4,29,929.0 lakh	₹68,221.8 lakh	₹32,820.49 lakh	Huge gap between allocation and release. Expenditure is quite low compared to the allocated budget.
2020-21	₹5,37,599.93 lakh	₹48,246 lakh	₹52,330.4 lakh	Increase in allocation, but release amount dropped. Expenditure surpassed release, meaning some states used their reserves

2021-22	₹8,40,750.7 lakh	₹78,085.1 lakh	₹61,769.5 lakh	Significant budget increase compared to 2020-21. Higher release, but expenditure still below expectations.
2022-23 (Up to June 2022)	₹8,93,565.83 lakh	₹36,647.2 lakh	₹22,412.7 lakh	The year is incomplete (only up to June). Very low fund utilization so far compared to previous years.

Source: Author's Observation

3.1 State-wise Analysis from 2019-23 (up to June)

Year	Top 3 States in Fund Utilization	Lowest Utilization States	Consistently High Performing States:	States with Poor Fund Utilization:
2019-20	West Bengal: ₹25,938.31 lakh Uttar Pradesh: ₹9,174.22 lakh Maharashtra: ₹47,101.45 lakh	Lakshadweep: ₹0 lakh Daman & Diu: ₹0 lakh Goa: ₹0 lakh	West Bengal, Uttar Pradesh, Maharashtra	Goa, Lakshadweep, Daman & Diu
2020-21	West Bengal: ₹29,303.11 lakh Uttar Pradesh: ₹9,126.49 lakh Maharashtra: ₹17,026.23 lakh	Lakshadweep: ₹65.58 lakh Daman & Diu: ₹9.35 lakh Goa: ₹213.49 lakh	West Bengal, Uttar Pradesh, Maharashtra	Goa, Lakshadweep, Daman & Diu
2021-22	West Bengal: ₹54,892.53 lakh Uttar Pradesh: ₹14,779.68 lakh Maharashtra: ₹30,926.78 lakh	Lakshadweep: ₹238.95 lakh Daman & Diu: ₹56.1 lakh Goa: ₹0 lakh	West Bengal, Uttar Pradesh, Maharashtra	Goa, Lakshadweep, Daman & Diu
2022-23 (Up to June 2022)	West Bengal: ₹5,485.25 lakh Uttar Pradesh: ₹4,304.13 lakh Maharashtra: ₹19,794.25 lakh	Lakshadweep: ₹0 lakh Daman & Diu: ₹0 lakh Goa: ₹0 lakh		

Source: Author's Observation

The consistently high performing states are West Bengal, Uttar Pradesh, Maharashtra which showed steady fund utilization across all years. Whereas Goa, Lakshadweep, Daman & Diu have shown minimal or zero expenditure over multiple years. Fund allocation has generally increased year-on-year, but releases do not always match the allocation. States like West Bengal, Uttar Pradesh, and Maharashtra have been the most efficient in fund utilization. Union Territories and smaller states (e.g., Lakshadweep, Daman & Diu) consistently show poor utilization trends. Expenditure patterns indicate that some states are struggling to utilize their allocated funds effectively.

4. Conclusion and Recommendations for future study: After analysing the whole facts, it is discovered that Bihar, West Bengal, and Uttar Pradesh dominate in SHG formation, household mobilization, and member diversity, making them central to SHG-driven development. Southern states (e.g., Tamil Nadu, Telangana, Karnataka) maintain stable SHG counts but need to improve household mobilization efficiency. ST-focused engagement is strongest in central and eastern states like Madhya Pradesh and Odisha. Minority participation is concentrated in West Bengal, Assam, and Bihar. Fund allocation has grown over time, but fund utilization remains a challenge, especially in UTs and smaller states. Targeted strategies are needed for low-performing UTs, and better fund absorption frameworks for underutilizing states. The recommendations for further study are Identify factors that lead to higher household mobilization per SHG, which may include Case studies of Bihar, West Bengal, and UP where mobilization is high. Comparative study between Telangana and Odisha, where SHG formation is high but household mobilization is relatively lower. The issue can be to examine the barriers to SHG Penetration in UTs and Low-Performing States, where we can study and understand constraints (geographical, administrative, socio-cultural) limiting SHG outreach in UTs like Lakshadweep, Daman & Diu, and Andaman & Nicobar. It can be done by conduct qualitative field surveys or stakeholder interviews. It will help in examining logistics, policy gaps, internet/tech infrastructure, and community awareness levels. The other prospect of study may include social inclusion dynamics that can examine factors influencing participation of SC, ST, Minority, and PWD groups. The recommended focus can be analyze enablers in West Bengal, Madhya Pradesh, Tamil Nadu where these groups show high inclusion. It helps to investigate low-participation states for systemic barriers (e.g., lack of representation, discrimination, poor targeting). The issue that can be further analysis is fund utilization bottlenecks, that will help to Investigate reasons behind low fund utilization despite increased allocations. It can compare fund release timelines vs. project cycles, The study implementation delays, administrative capacity, and procurement challenges in underperforming states and audit of unspent balances and refund patterns. More research can be done to determine how SHG participation has impacted financial inclusion, employment, income, and skill development in order to assess the impact of SHGs on livelihood outcomes. The suggestive method is to do longitudinal studies tracking pre- and post-membership status and including gender-disaggregated data to evaluate empowerment impact on women. A study on inter-State and regional best practices can be done to document and compare best practices from high-performing states, such as successful convergence models (e.g., with NRLM, livelihood missions), community enterprise development models in states like Tamil Nadu and Maharashtra.

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