



Measuring the Demonitization Effect on the Routine Business of SHG Beneficiaries In Sehore, Madhya Pradesh

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Abstract: *In spite of Govt. of India has found a way a striking way to make India debasement free and rouse individuals in credit only exchange yet following one year would we be able to say India is truly defilement free? Would we be able to notice any critical improvement in credit only exchanges? Would we be able to see the advanced installments have fundamentally improved for normal general man? So this study goals to see the little merchants have truly impacted or not. In the event that they are impacted, how they have impacted? The primary goal of this paper is to concentrate on the effect of demonetization on the limited scale beneficiaries of self help groups at Sehore District of Madhya Pradesh and what it meant for their business. As we as a whole realize that Sehore is the semi urban territory of Madhya Pradesh which is found extremely close to Bhopal and Indore district. As a region town Sehore has a high importance in organizations with the central of the nation. The study arranged a poll and overviewed to limited scope vendors at Sehore region and attempted to track down their insight on demonetization and its effects on their organizations during most recent one year. The review at Sehore locale might mirror the situation with little brokers for whole country.*

Keywords: *Demonetization, SHG, digitalization, productivity, cash flow & market demand.*

1. Introduction

There are different positive effects of the demonetization and it incorporates the capability of the activity of the public authority in controlling the dark cash threat in India. Demonetization sets aside every individual to installment their old cash note in the banks and trade them for the new money notes inside the particular time-frame. Post the time frame any money would be considered invalid and illicit for a person to hold the cheapened money notes. The sum kept by individuals is being utilized for the advancement of the country. Another critical effect of the demonetization has been the move of the country towards receiving the advanced installments. Individuals in India today have received virtual wallets like Ola cash, Paytm, Phone Pe among others (Deepika et al., 2017). Besides, the demonetization and the drive to utilize card over money exchanges moved the development of the web based

business in the country wherein the organizations like Amazon and Flipkart have been advancing computerized installment. Unexpectedly, the demonetization made bother to the resident of India. Public burden was quite possibly the main downside of the activity taken by the public authority. Development towards the credit only economy was essentially invited simply by individuals who were utilized to advanced exchanges. Demonetization prompted serious deficiency of cash available for use. With the dispatch of Rs. 2000 note and no presence of Rs 1000 and Rs 500, there was critical lack of Rs 100 on the lookout. Rather than fighting defilement, there were noted cases wherein self help groups authorities from different public and private area banks were included into illicit trading of old cash notes. While the demonetization drive influenced the overall population temporarily, the drawn out



advantages of the move of the Indian government can't be downplayed.

Demonetization was relied upon to advance computerized exchanges, which cleared route for improvement of elective techniques for installments like Real time net repayment (RTGS), National electronic finances move (NEFT), portable wallets (Paytm, MobiKwik), prepaid money cards (Izcash, Ola Money, Flipkart Wallet) and so forth Data introduced in Table 1.1 shows installments made through electronic frameworks in India between November 2016 and January 2018 distributed by Reserve Bank of India. Installments made through various electronic frameworks was Rs. 94004 billion in November 2016 and expanded to Rs. 131980 billion in January 2018, which shows ascend being used of electronic installment strategies. Among the different strategies most elevated extent of installment is made through RTGS followed by NEFT. Electronic installments across all strategies have expanded during the above period, as demonstrated by normal development rate, however installment made through versatile self help groups has declined from November 2017. This issue should be concentrated further to analyze factors for decrease in the wake of advancement of portable self help groups among individuals.

Demonetization, in spite of the fact that was proposed to yield ideal outcomes on the economy the underlying effects were not all that good as it brought about various kinds of difficulties. During demonetization, as announced in different papers and electronic media families battled to discover money, private companies were seriously influenced, day by day wage laborers endured. In such manner, analyzing the effects of demonetization on weak areas of society like ladies gets vital. In this foundation the current investigation has endeavored to look at effects of demonetization on self improvement gatherings (SHGs) in Sehore. SHGs have been viewed as an instrument of ladies strengthening by instructing ladies on saving and speculation related viewpoints and further by giving monetary assistance to include in pay creating financial exercises. As elements of SHGs include saving and venture related exercises there is a need to look at the effects of demonetization on SHGs

Through this exertion, he changed the existences of numerous helpless ladies by giving them miniature credits with no guarantee security. From that point forward the development has filled by a wide margin. Going to the Indian scene, comparable analysis was directed by the social extremist and reformer Ella Bhatt in mid seventies of

the very century. She shaped independently employed Women Association and brought ladies as business visionaries under its flag. These are ladies who made money through their own work or little organizations. SEWA arranges ladies to guarantee that each family gets confident. On understanding this, the Government of India has presented different ladies explicit advancement programs through the long term intends to make ladies the equivalent accomplices being developed so as to upgrade the status of ladies.

2. Literature Review

Chand and Singh (2017) revealed that the greater part of the Rabi crops are self-pollinated, ranchers don't have to purchase new seeds each year and in view of that the offer of seeds by open organizations has been accounted for as much deals underneath typical.

Bharat Kumar Meher (2017) Now the banks are overwhelmed with numerous assets. Since it was viewed as that because of the defective evaluation of the tasks and the deficient appraisal of the borrowers, the NPAs were upheld. This kind of circumstance could increment further sooner rather than later in light of the fact that banks are overflowed with a lot of assets that financiers should use quickly. Subsequently, preventive activities are expected to check these practices. 4. Banks are feeling the squeeze from the higher specialists to arrive at the credit targets. Such circumstances lead to advances to any customer with the essential target of accomplishing the goals without an earlier reliability assessment of the borrowers available, without a sufficient evaluation of the task or the reason for which the advance is taken; and so on this pattern builds the NPAs. Subsequently, brokers ought not to be compelled to accomplish credit objectives inside a particular time.

Ramesh Chand and Jaspal Singh (2017) No impact of demonetization was seen on costs of significant yields like paddy, soybean, and maize in the period of November and their discount costs in APMC mandis of the nation were around 3 percent higher in November when contrasted with the long stretch of October. In any case, costs of maize and soybean fell in the long stretch of December however paddy costs managed higher than past two months and furthermore when contrasted with a year ago. There may be a few deferrals in installment to the ranchers because of money crunch however that is a transitory wonder.

Bisen, et al. (2017) The ranchers were influenced all things considered. The ranchers didn't utilize either check or any



of the advanced installment passages for acquirement of information sources.

Virendra B. Shahare (2017) To make country economy credit only, increasingly more SHGs should be given the charge of Bank Mitras (companion) who can stretch out their assistance to the banks and mail depots for the multiplication of advanced economy. Provincial social framework, for example, Youth Clubs and Mahila Mandal's and Panchayati Raj Institutions ought to be invigorated for the engendering of computerized rustic economy.

Nikita Gajjar (2016) Has endorsed an investigation on Black Money in India: current status and future difficulties and demonetization. He portrayed the system, strategy alternatives and methodologies that the Indian government ought to embrace to address this issue and the future difficulties confronting the public authority. Vijay and Shiva (2016) inspected demonetization and its total monetary incorporation. They thought about that the advantages of demonetization are extremely promising and demonetization is in the drawn out interest of the country. They said that he had given brief torment, yet that he showed monetary exercises. It has impacted the financial businesses to make huge interests in the digitization of self help groups administrations.

Satwik Srikrishnan (2017) A dominant part of the poor are not viewed as trustworthy due to their uncertain monetary action. Concerning advanced installments, it will be progressive in self help groups the unbanked, while setting out micropayment open doors for poor people, along these lines boosting investment funds, and over the long haul, enabling the country and metropolitan poor.

Devendra Kumar Tiwari, Deepika Tiwari (2017): In their paper Effect of Demonetization on Employment Generation in Micro, Small and Medium Enterprises reasoned that Small and Medium Enterprises area has endured a ton; perhaps for a brief timeframe. The disorderly works need to lose their positions and this figure can not be assessed without any problem. Along these lines, it is recommended that the Government should get ready for such areas of economy prior to going for Demonetization. This will assist the chaotic works with continuing in their positions. It is likewise proposed that all the areas that effectively affect the Demonetization should be recognized and move might be made to ensure them before the demonetization is executed.

Rajiv Chopra (2017) After examining this figure, unmistakably during the time frame from the main quarter

of 2013 to the second quarter of 2016, PAR30, PAR90, and PAR180 were under 1%, which can be viewed as an alluring danger. Be that as it may, an enormous increment was seen in the PAR30 in the time frame following demonetization, which was 7.52%. Similarly, PAR90 expanded from a normal of 0.23% to 0.41% and PAR180 expanded from 0.20% to 0.91%. The radiation caused the absence of liquidity in the economy, which assumed a significant part in this increment.

3. Conceptual Framework

Demonetization in the beginning brought several confusions among people because of sudden non-availability of cash. People across the country faced problems like waiting at banks for depositing old notes and getting new notes, non-functioning of ATMs, limit imposed on withdrawal of money from banks. The government expected to bring down cash usage by encouraging people to adopt to new electronic methods of payments, but reports of RBI states that the share of high denomination currency was at 82 per cent in March 2018, which was just below than the level before demonetization. However, electronic payments have increased during this period indicating scope for promoting this system of payment.

MFI's face reimbursement default or deferred installment taking into account the restricted stockpile of tenderable money in our economy this has prompted an increment in credits delegated weakened resources. Little dealers, financial specialists, and ranchers were the hardest hit because of the idea of their work, which has likewise driven defaults in the reimbursement of the credits. The fundamental motivation behind the examination is twofold, Firstly to contemplate the effect on assortment and payment of credits, and how MFI advance reimbursement has influenced after the demonetization period, what are the considerable difficulties looking by microfinance area because of demonetization and measures taken by RBI to secure MFI's. Also to consider the issues looked by the recipients of SHGs in the chose rustic territory and metropolitan regions of Madhya Pradesh during and after the demonetization time frame. This exploration likewise centers around the effect of demonetization on monetary incorporation in India Furthermore; this examination will assist us with investigating how the requirement for digitalization of monetary exchange has come as a need after demonetization in country India and in MFI's.

SHGs have been developed as an instrument for empowering women in the country. They promote savings and income generating economic activities among women.



Features of SHGs like creation of common fund with regular contribution out of their savings; management of pooled financial resources; disbursement of loans, etc. show that SHGs conduct financial activities in a limited size. Regular savings and contribution to SHG is an important function of members. Data examined in the study revealed that the total savings of women reached Rs. 16,114 Crores during end March 2017 from Rs. 13,261 Crores in March 2016. It further increased to Rs. 19,592 in March 2018. This indicated that the saving habit of women has not decreased even during demonetization process. According to reports from NABARD number SHGs increased during the above period, with a declined rate in 2016-17, which shows that demonetization reduced the pace of increase in number of SHGs. Further, it was observed that loan disbursement by banks to SHGs during 2016-17 also declined, thus confirming the adverse impacts of demonetization on SHGs.

At the time of implementation, demonetization was expected to yield favorable results, but reports from media and other sources showed hardships faced by people during demonetization. Particularly, people from small businesses, daily wage earners, suffered more due to demonetization. In this background, the study attempted to examine impacts of demonetization on Self Help Groups, which aim at empowering women. SHGs are micro financial institutions promoting saving and investment practice among women, thereby helping them to overcome poverty and dependency. Execution Review of studies revealed implementation of demonetization resulted in confusion among people and reduced cash availability and hence people faced problems in meeting necessary expenditures on health needs, family events like marriages, etc.

In Sehore, Madhya Pradesh where more than 50 per cent of respondents use cash payments faced problems during demonetization process. Further, some studies found that impact of demonetization was adverse on informal sector, particularly casual laborers affected severely. Some studies have shown that demonetization was not successful in achieving its objectives like controlling unaccounted money, counterfeit money, but along with increase in digital transactions finance related cyber-crime rate also has increased. Demonetization created negative impacts on real estate and tourism sectors as evidenced by few studies. Impact of demonetization was observed in all spheres of life and this impact is also expected on SHGs where women are directly involved in saving and investment activities. However, hardly any study has examined the impacts of demonetization on SHGs. Majority of the available studies

are general in nature in examining the impacts, while few have mentioned any information on data and sample selection. Therefore, the present study attempts to fill this gap by examining the impacts of demonetization on SHGs Members in Sehore.

4. Research Design

The investigation "Effect of demonetization on microfinance" Sehore, Madhya Pradesh state was chosen on the grounds that Madhya Pradesh is notable for building up the best administration rehearses in the execution of SHG program. The territory of Madhya Pradesh is situated in the focal point of India. The towns of Sehore are chosen for concentrate as they have the homogenous grouping of Agriculture, Micro, and SME Units just as metropolitan and country arrangement. Multistage separated irregular example technique was utilized with the end goal of the examination. 123 SHGs which were arranged in country and metropolitan regions were chosen aimlessly in the chose circles. 369 Members of SHGs, who have taken at least one year old connection or more were arbitrarily chosen from the chose SHGs. There the helpful examining technique gave was utilized in the choice the 369 Members the vast majority of them ladies recipients were talked with, three respondents of each SHG's chosen in relation to them all out SHG individuals in the three circles. At long last, an illustration of 369 respondents of SHG individuals was advantageously chosen under SHG BLP plan of the Sehore area of Madhya Pradesh State. Measurable instruments utilized for investigation like recurrence, t test, ANOVA, Linear Regression are utilized separated from the use of SPSS 21.0, and documentation was finished utilizing 'MS Word 2007.

5. Data Analysis

For Occupation wise comparison purpose ANOVA statistics is used to test the hypotheses related to routine business e.g. Cash Flow, Market Demand, Productivity and Digitalization Adoption in context of self-help groups' beneficiaries at Sehore. The F ratio scores of the variables as the measures of variance studied. The results of the investigation follow:

H₀: There is no significant difference exists in routine business e.g. Cash flow, market demand, productivity and digitalization adoption on the beneficiaries' of the selected self-help groups in Sehore in context of their Occupation.



TABLE 1 ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Cash Flow	Between Groups	4.101	1	4.101	2.740	.100
	Within Groups	212.559	142	1.497		
	Total	216.660	143			
Market Demand	Between Groups	2.170	1	2.170	2.033	.156
	Within Groups	151.580	142	1.067		
	Total	153.750	143			
Productivity	Between Groups	.624	1	.624	.345	.558
	Within Groups	257.202	142	1.811		
	Total	257.826	143			
Digitalization	Between Groups	9.957	1	9.957	5.369	.022
	Within Groups	263.348	142	1.855		
	Total	273.306	143			

The above 1, ANOVA statistics has been derived from SPSS output, shows that variance in between and within the Cash Flow, Market Demand, and Productivity and Digitalization Adoption groups in frame of different occupational status of the beneficiaries in context of SHG at Sehore.

The table 1 displays the results, due to chance factor at 5% significance level, as the calculated value (F Ratio) of the said variables e.g. Digitalization Adoption variances are 5.369 respectively, and the F ratio value is greater than the critical value. Hence the originated results could be inferred as Digitalization Adoption does differ significantly for different occupation position.

Whether Cash Flow, Market Demand, and Productivity are 2.740, 2.033 and 0.345 and all are less than the critical value. Hence the originated results could be inferred as Employees responses do not differ significantly for said variables in context of beneficiaries' occupational position in context of self-help groups at Sehore.

6. Conclusion

The originated results of the present study could be concluded as the Adoption of Digitalization for monetary

exchanges does differ significantly for different occupational positions for self-help group beneficiaries in Sehore. Whether the Cash Flow, Market Demand, and Productivity do not differs significantly. A few investigations have demonstrated that demonetization was not effective in accomplishing its goals like controlling unaccounted cash, fake cash, yet alongside increment in computerized exchanges account related digital crime percentage likewise has expanded. Demonetization made negative effects on land and the travel industry areas as proven by couple of studies. Effect of demonetization was seen in all circles of life and this effect is additionally expected on SHGs where ladies are straightforwardly associated with saving and speculation exercises. Be that as it may, barely any investigation has inspected the effects of demonetization on SHGs. Greater part of the accessible examinations are general in nature in looking at the effects, while few have referenced any data on information and test choice. Consequently, the current examination endeavors to fill this hole by looking at the effects of demonetization on SHGs. SHGs have been considered as impetus of engaging ladies by advancing saving and venture propensities.

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