

## Shri H R Dave, DMD released CRFIM Study Report on NPAs in SHGs

**Shri H R Dave**, DMD NABARD in the presence of Governing Council Members and Director BIRD released the study report on “**Study on NPAs in SHGs**” during the Governing Council Meeting of BIRD on 1 March 2019. The study was conducted by the Centre for Research on Financial Inclusion and Microfinance (CRFIM), BIRD Lucknow, under the guidance of MCID, NABARD HO.

The study is based on the sample of 45 branches in SHG-NPA prone areas covering 207 SHGs and 584 members spread across 11 districts in 6 states. Major findings of the study are – (i) 87% of the SHG-NPA in sample branches are due to Government run programs (SGSY, NRLM, ICDS, etc.) and 17% of the SHG-NPA are due to NGO run programs supported by NABARD (ii) Poor group dynamics causes higher level of NPA in SHGs; (iii) Commercial Bank SHGs portfolio have lower level of NPA than that of RRBs and Cooperatives i.e. 33%, 62% and 83% respectively; (iv) 21% of the sample SHG members have availed MFI loans in addition to SHG Bank Linkage loans; (v) Recovery rate is higher for MFI loans (91%) than internal lending (78%) and SHG Bank Linkage loans (48%); (vi) BC mode of SHG lending is more efficient than direct lending by branches; (vii) Demonetization had limited impact on NPA in SHGs. **The study suggested that individual lending through group mode may be introduced in SHG Bank Linkage Programme with higher doses of credit.** The summary of the report is available at <http://www.birdlucknow.in/center-of-excellence/cmr/cmr-study-reports/>

