



GOVERNMENT OF ASSAM

অসম ৰাজ্যিক গ্ৰাম্য জীৱিকা অভিযান

ASSAM STATE RURAL LIVELIHOODS MISSION SOCIETY

NABAJYTOI NAGAR, SIVA NATH GOGOI PATH, GUWAHATI, ASSAM-781037

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No. ASRLMS/CBRM/286/2013-14/ 3

Date: 07/01/2014

To

Principal Secretary, BTAD Districts, Karbi Anglong Autonomous Council, Dima Hasao
Autonomous Council
Deputy Commissioner, All Districts
Project Director, DRDA, All Districts
District Project Manager, Intensive Districts, ASRLMS
Block Development Officer, All Blocks
Block Project Manager, Intensive Blocks, ASRLMS

Sub. : Guideline on Community Based Recovery Mechanism (CBRM)

Sir/Madam,

Community Based Recovery Mechanism (CBRM) is a mechanism which will be positioned for proper coordination between community and bank branches for implementation of SHG Bank Linkage programme. It is aimed at maintaining a healthy loan portfolio of SHG so as to facilitate increased credit flow to SHGs from banking sector on a sustainable basis. It is also essential to monitor regular credit flow to SHGs. There is also significant time gap between repayment and renewal of loans to SHGs and this gap needs to be reduced. It is observed in case of SGSY beneficiaries that after receiving revolving fund and capital subsidy, the SHGs are not aware that they can also avail direct credit from banks and continue their activities. In most cases, the SHGs become defunct after they receive revolving fund and the capital subsidy (under SGSY). In many instances it has been observed that the groups get only the subsidy component from bank and as a result failed to complete the project for which they took the loan. Therefore, to facilitate regular credit flow to SHGs and to ensure 100% recovery by the community itself, a mechanism needs to be developed.

1. Objective: The primary objectives of the mechanism are

- Facilitating and ensuring 100% recovery by the community itself and evolving a proper system for monitoring the A/Cs on an ongoing basis
- To have close interaction between the community and the Bank Branch for recovery of loans and in addressing financial needs of the SHGs
- Facilitate linkage of SHGs every month as per the monthly plan evolved for each Bank Branch to ensure timely availability of credit



2. Formation of Community Based Recovery Mechanism (CBRM) Committee:

The Community Based Recovery Mechanism Committee (CBRM-Committee) may be formed as per the service area of the banks. CBRM - Committee will consist of the following members:-

2.1 Intensive Blocks:

- a) Two representatives from each VO Bank linkage subcommittee.
- b) Two representatives from CLF (as and when CLF is formed).
- c) BDO or his representative
- d) Concerned Bank Branch Manager.
- e) BPM of the concerned BMMU.
- f) Representative from DMMU (in case of Intensive Districts)

The representatives from the VO and CLF will be selected by the executive committee of the respective VO/CLF. The concerned BPM will be the convener and co-convener will be selected from representatives of the VO/CLF as decided by all the VO/CLF representatives and the respective bank branch manager will be the chairperson. The concerned bank mitra will have to attend the meeting.

2.2 Non-Intensive Blocks:

- a) Community Resource Persons (CRPs)/Active Women looking after SHGs within the service area of the Bank Branch.
- b) Block Development Officer
- c) Concerned Bank Branch Manager
- d) Extension Officer looking after NRLM

The Extension Officer looking after NRLM will be the convenor and BDO will be the chairperson. The concerned bank mitra (after training) will have to attend the meeting. One member each from 5 (Five) SHGs having bank account in the respective bank branch will be invited to attend the meeting on rotational basis.

3. Date for Monthly CBRM Committee Meeting:

In both Intensive and Non-Intensive Blocks, the committee will sit once in a month. The CBRM- Committee meeting shall be fixed between 25th and 30/31st of a month. In case of holidays, meeting will be held on the subsequent working day. The meeting will be held preferably in the bank premises or as per convenience of the committee members.

3. Cost of the meetings:

The cost of the meeting may include travel cost of the SHG/VO/CLF representatives which may be borne by the SHG/VO/CLF, while the expenditure towards cost of tea and snacks, and other misc. expenses may be borne by the branches concerned. Initially the travel cost for Bank Mitras will be borne by ASRLMS and later on it will be shared by VOs/CLFs.

4. Initial Preparation for CBRM:

1. Bank Mitra and BDO/BPM will compile information of SHGs, VOs/VLFs and CLFs, bank branch wise which will be updated regularly (Format I).
2. Detail of SHG/VO and CLF representatives will be compiled by Bank Mitra and BDOs/BPMs and will be updated as per need (Format II).
3. If there is any change in the representative of SHGs/VOs/CLFs it is advisable to prepare a fresh list keeping the earlier list properly for record.



5. Agenda of CBRM meeting:

The discussion will be held for all the SHGs/SHGs of the VOs having their bank account (both savings and Credit) in respective branches. The agenda for discussion on CBRM committee meeting will be as follows:

- Review of action taken for recovery of loans in the previous month.
- Recovery position in the current month.
- Action plan to be adopted for recovery from the defaulted group.
- Nos. and amount of loan sanctioned in the current month.
- Nos. of eligible SHGs for credit linkage and quantum of finance required as per MCP of each SHG.
- Monitoring of credit linkage program.

6. Records to be maintained:

The following records are required to be maintained by CBRM-Committee. The expenditure required for maintenance of records shall be incurred by the Bank Branch.

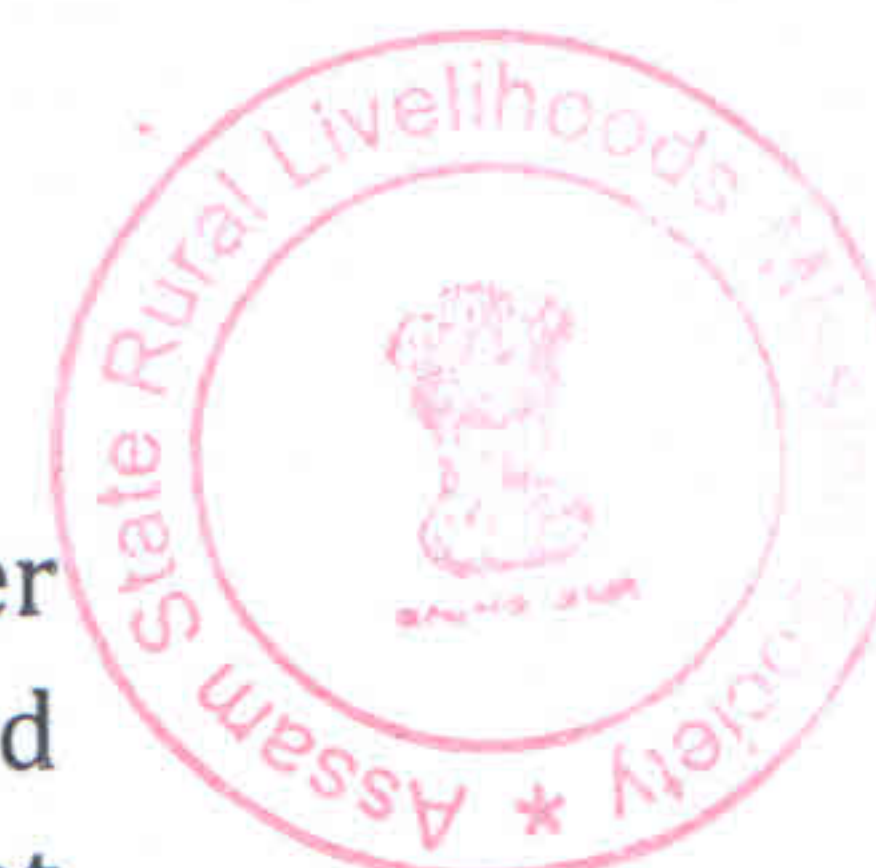
- Minutes Book
- Attendance Register
- Credit/Loan Register (Format IV)
- Recovery Register (Format V)

7. Role of Bank Branch Manager:

1. The Branch Manager shall prepare strategic plan for SHG Bank Linkage for the SHGs having Bank Accounts in his/her branch in consultation with BPM and this will be reviewed every month in CBRM-Committee meeting.
2. The Branch Manager shall discuss recovery position for each loanee SHG.
3. The Branch Manager may attend the monthly meetings of Village Organizations (VOs) and Cluster Level Federation (CLF) and discuss credit and recovery related aspects depending on need (In Intensive Blocks).
4. Controlling offices will be able to monitor the overdue position of the branches through their CBS platform; the branch manager may submit the action taken report to their controlling offices. The controlling office shall consolidate the position for all of its branches and discuss the position in the DCC for taking further action.

8. Role of BDOs/BPMs :

1. The BDO/BPM concerned has to take the responsibility for conduct of meeting on the due date in coordination with branch manager concerned. In case if it is not convenient to hold the meeting on the specified day, the meeting could be organized on the next convenient day. However, if the branch manager again postpones the meeting, the matter may be brought to the notice of Project Director/District Project Manager (DPM) so that the matter can be discussed in the District Level Review Committee (DLRC) meeting.
2. The BDO/BPM and Bank Mitra shall collect print out of outstanding loan accounts on monthly basis from the bank branch concerned and discuss about overdue loans of concerned SHGs in CBRM- meetings. **In Intensive Blocks, it also needs to be ensured that the Committee submits a report to the VOs and CLFs within two days, as per the format enclosed. The VOs and CLFs in turn shall consolidate the same bank branch wise and send it to BMMU within a week. In Non-Intensive Blocks, BDO will consolidate the report Bankwise and Branchwise alongwith steps taken for further Credit linkage and 100% recovery of outstanding loans and send to Project Director and District Project Manager (In case of Intensive Districts) and Project Director and SMMU (In case of Non-Intensive Districts).**



3. Project Director (PD), DRDA (in Non-Intensive Districts) and District Project Manager (DPM) (in Intensive Districts) shall review the progress made in recovery of loans and conduct of CBRM meetings on a monthly basis with all the staff concerned and ensure that all the CBRM-Committee meetings are conducted regularly. The PD, DRDA and DPM shall consolidate bank wise position based on the information received from BPM/BDO and place the same before DLRC along with an action plan for ensuring 100% recovery.
4. BDOs/BPMs shall facilitate attendance of SHGs/VO and CLF office bearers in CBRM meetings, wherever felt necessary.

9. Training to the members of CBRM Committee:

Step I:

Initially, BDO or his/her representative (Non-Intensive Blocks) and BPM and Block Coordinator (BC) (Intensive Blocks) will facilitate in the SHG weekly meetings (All Blocks) and monthly meetings of VOs/CLF (Intensive Blocks) regarding Bank Credit, recovery of bank loans etc. This will help the executive members of the VO or SHG members in selection of representative for CBRM- Committee.

Step II:

After formation of CBRM-Committee, training shall be organized for the representatives of SHGs/VOs at block level or as per convenience of the members. The BDO/BPM and BC shall give the training along with the Bank Branch Manager. The training module include credit linkage, 100% recovery of loan, recovery strategy to be followed, utility of bank loans, repayment schedule etc.

9.1 Training Module and Expenses:

1. The training should be conducted for the members of CBRM committees having bank a/c in the same bank branch.
2. The maximum nos. of participants for each training programme should be 15.
3. Participation of respective Bank Mitra is must (if selected and trained).
4. In both Intensive Blocks and Non-Intensive blocks the cost norms should be strictly followed for organizing training programmes.
5. Resource person : The following person can impart training to the members of CBRM committees:
 - a. DPM, DFE, BPM & BC
 - b. BDO or Extension officer looking after NRLM (in case of Non-Intensive Block)
 - c. Respective Bank Branch Manager
 - d. Lead District Manager/DDM-NABARD
 - e. Representative from SMMU
 - f. Any other official assigned by SMMU

9.2 Duration & Session Plan: Initially one day training programme shall be conducted with the following Session plan followed by one CBRM Meeting and subsequent training programmes shall be conducted with modified session plan depending on experience of CBRM meeting. Total duration for training shall be atleast 6 hours/day (excluding tea break & lunch break).




Sl.No.	Sessions	Duration
1	Concept of CBRM	30 Minutes
2	Roles & Responsibility of CBRM Members	30 Minutes
3	Importance of Credit Linkage	1.00 Hours
4	Term loan & Cash Credit Loan	30 Minutes
5	PAR & Defaulter SHGs	30 Minutes
6	Strategy for 100% loan recovery	1.00 Hours
7	Discussion on Formats	1.50 Hours
8	Q & A Session	30 Minutes

10. Monitoring of CBRM:

Every BDO/BPM shall report to concerned Project Director/District Project Manager (DPM) on or before 3rd of succeeding month as per format III. If the CBRM meeting is not held for a particular bank branch, BDO/BPM shall mention the reason against the branch name. For unsatisfactory performance of CBRM meeting, Project Director/DPM shall report immediately to SMMU and will take measures wherever necessary.

Yours faithfully


Manoj Kumar, IAS
State Mission Director, ASRLM
*State Mission Director
Assam State Rural
Livelihoods Mission Society*


Encl. Formats as stated.

Memo No: **ASRLMS/CBRM/286/2013-14 / 3-A**

Date: 07/01/2014

Copy to:

1. The SO, to the Chief Secretary to the Govt. of Assam for favour kind information.
2. The Addl. Chief Secretary to the Govt. of Assam, P&RD Department for favour of kind information.
3. The Commissioner, P & RD Deptt., Govt. of Assam, for favour of kind information.
4. Office Copy


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State Mission Director, ASRLM