



# JEEVIKA

An Initiative of Government of Bihar for Poverty Alleviation

**Bihar Rural Livelihoods Promotion Society**  
**State Rural Livelihoods Mission, Bihar**



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## OFFICE-ORDER

### **(Strategy to streamline resolution of SHGs Accounts that have turned NPA or Irregular)**

BRLPS (Jeevika) is working on the strategy of providing timely capitalization (both from the project and mainstream financial institutions) in order to kindle entrepreneurial abilities amongst the women members. It is important and crucial that repayment is ensured on time to the banks for further leveraging of resources not only in particular district but in all the districts. **It may be appreciated that in this age of computerization/digitization, any account turning NPA/Irregular in any district is explicit and visible from anywhere.** Rise in NPA/Irregular account may turn detrimental for the community institutions and overall vision of the project. Lack of timely transaction (monthly deposit in the loan account of SHGs) also prohibits the flow of benefit related to Interest Subvention envisaged for the SHGs and its members.

Considering the high importance of timely repayment to the bank, it is directed that efforts will be made to **facilitate repayment on priority in next few days (before closing of the financial year 2017-18)**. However, this effort for facilitating timely repayment needs to be continued in subsequent years as well as it forms the basis of prudent financial management principle and will stand in good stead to make community institutions sustainable over a period of time.

In order to achieve significant result with respect to resolution of NPA accounts/Irregular account, following strategies may be taken to mobilize Community Institutions:


- a) It has been the experience of the project that women members have adhered to the repayment culture on their own with due support from the project. BPMs are directed to take the list of NPA accounts/ Irregular accounts from all the Branch Managers of the block. BPMs need to ensure that the list is shared with other project staffs and community cadre so that information reaches to the SHGs and its members on time. **It is mandatory to source related information and BPMs will open a file with name**

**“Resolution of NPA and Irregular account”** for monthly tracking of the NPA and Irregular accounts.

- b) It has been observed that many of the SHGs are turning NPA or Irregular as they are not in position to deposit the due amount in related account (depositing in savings account rather than loan account). **In case any SHG has deposited the money in the Savings Account, related SHG may be counseled to visit bank and ensure that money is deposited in the relevant account (Loan account).** Role of Bank Mitra in such situation turns important and thus meeting with Bank Mitra needs to be done to facilitate recovery in NPA/ Irregular accounts.
- c) In all such cases where **the loan amount has been transferred to the savings account by branches of the bank and SHGs have turned NPA**, BPM needs to write a letter to the related branch with copy to DPCU/Regional Office of the bank and SPMU ([ranjan@brlp.in](mailto:ranjan@brlp.in) with copy to PC-FI) for reversal of the interest charged to the SHGs.
- d) Many a times it has been observed that accounts turn NPA as the credit limit has not been renewed by Branch Manager. Related BPMs are directed to ensure that responsibility is given to one project staff to **follow with different branches and ensure that limits are renewed following due procedures. Related BPM will be responsible for the same.**
- e) In very rare case it has come to the notice of the project that Branch Manager doesn't accept the money for reasons best known to them. In such cases, it will be required that matter is brought to the notice of DPCU immediately and more importantly to SPMU (Any PM/ SPM/ PC-FI) related to Financial Inclusion so that it can be resolved at the earliest.
- f) **In order to strengthen the principle of community participation, each of the BPIU may identify upto 12 persons as FI-CRP to facilitate recovery to the bank.** They may be allocated different villages to follow. One or Two of them may also be given responsibility to follow over phone with other community cadres. The FI-CRP may be identified from existing cadre of Community Mobilizers, Book keeper, Bank Mitra etc **besides other vocal and disciplined SHG members** as explained in earlier guidelines.
- g) The applicable honorarium will be paid for working along with reimbursement of the expenditure made for travelling to different villages. The payment as FI-CRP will be over and above the honorarium they receive for working in their designated role

following due process. They also need to be provided with an amount of Rs 100 to facilitate charging of mobile for follow up with different stakeholders including Community Cadres. **The provision to take services of FI-CRP for facilitating recovery is applicable only for period from 15<sup>th</sup> March 2018 to 31<sup>st</sup> March 2018.**

- h) **One project staff needs to be dedicated to facilitate liasoning and follow up with related FI-CRPs in order to achieve results.** It will be important to review the work done by them and results achieved on continuous basis.
- i) Role of different related committees like that of **Repayment Committee at VO and CLF** level needs to be brought in to cognizance for facilitating effective repayment.
- j) **Suitable communication needs to be provided to different CLFs as well so that efforts are being complemented for better result around repayment.** The whole strategy will strengthen the agility of the project and community institutions to leverage capitalization from banks on sustained basis in subsequent years as the portfolio quality will be much better. This will enable enhancement in diversification of livelihood opportunities for the women and in turn for the rural households.
- k) In many of the situation it has been observed **that accounts are turning NPA because regular transactions are not taking place with bank.** There is a need to facilitate transaction in such cases for bringing them out of NPA category.
- l) **All the block mentors are directed to lend a supporting hand in facilitating recovery to the bank as recovery percent is going to be an indicator for performance appraisal from 2018-19 for all the Thematic Managers across the project.** Effort made in the FY 2017-18 will stand in good stead as initiating endeavor for understanding related aspects in totality.
- m) **SPM-HR is directed to prepare an office order and inform to all the Thematic Managers** that repayment percentage will be an indicator for performance appraisal since 2018-19. This needs to be informed in advance.
- n) Each of the BPM will take a certificate from the bank about the status of NPA as on 31<sup>st</sup> March 2018. The same will be sent to DPCU and detailed report will be compiled by the DPCU at the end of the March 2018 (as on 31<sup>st</sup> March 2018).
- o) The report shared **by the BPIU to DPCU shall have following points based on the certificate received from related banks branches:**

Name of the Block	Name of Bank	Name of Branch	No. of NPAs cleared in month of March 18	No. of NPAs accounts remained as on 31 <sup>st</sup> March 18
				

- p) Similarly the DPCU has to submit the report to CEO, BRLPS with a copy to PC-FI on following format latest by 10<sup>th</sup> April 2018:

Name of the BPIU	Number of Bank Branches	No. of NPAs cleared in the month of March 2018	No. of NPAs remained as on 31 <sup>st</sup> March 2018

- q) In the present circumstances, different BPIUs are reporting daily disbursement to district as an effort to facilitate timely capitalization and district is reporting the same to SPMU (Help Desk). **It is reiterated that from 15<sup>th</sup> March 2018, reporting will also add number of SHGs brought out of NPA category on regular basis till 31<sup>st</sup> March 2018. The report needs to be given in following format :**

Sl. No	Name of the BPIU	No. of Bank Branches with which BPIU is working	No. of NPA's cleared

- r) It is directed that DPMs shall ensure to share the office order with all the employees of the organization at the district level and Block level. BPMs shall ensure that office order is shared with all the project staffs. **It will be important that the content of the office order is shared with community cadres as well for its implementation in letter and spirit. It needs to be borne in mind that all effort around repayment has to be very facilitating and community oriented.**

It shall be the responsibility of the DPM to lay out detailed outline of strategy for implementation in order to achieve desired results in stipulated timeframe.

Sincerely

  
14/03/18  
(Balamurugan D.)

CC to:

1. All the Project Staffs
2. Concerned File.