

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg,
Jaipur -302 005

Ref: RFC/23FR/HO/Policy/ 28/2988

20th January, 2005

CIRCULAR

FR NO 327

Reg: Reduction in NPAs : Campaign from 1st Feb. to 19th Feb., 2005

Attention is drawn to circular No. FR/307 dated 24.4.2004 where stress was given on reduction of NPAs. To achieve this objective, the Corporation launched various schemes, such as One Time Settlement Scheme for NPAs, Scheme for Funding of Interest, Scheme for Small Loans and Interest Relief Scheme for NPAs during the current financial year.

In spite of the above efforts, the results achieved so far are not satisfactory. Contrary to the expectations, about 740 number of accounts of 'standard' category have turned to NPAs upto 1st October, 2004.

Therefore, to bring down the level of NPA of the Corporation, it has been decided to hold a campaign from 1st February to 19th February, 2005.

I. THE OBJECTIVES OF THE CAMPAIGN:

The objectives of the campaign would be :

- (1) to restore the category of those cases, which have slipped from 'Standard' and 'Sub-Standard' to NPAs to its original category i.e. 'standard' and
- (2) to reduce the over-all NPAs level of the Corporation at least by 10%.

II. ACTION PLAN FOR THE CAMPAIGN:

- (1) Each and every case, which has slipped from 'Standard' category to 'Sub-standard' Category and from 'Sub-standard' category to 'Doubtful' category be elevated to its original category as it was on 31st March, 2004.
- (2) In order to reduce the over-all NPAs level of the Corporation at least by 10%, the following measures be taken:-
 - (a) **Interest Relief Scheme:** The Scheme is already in force and field officers will ensure that maximum number of eligible cases are registered under this Scheme.
 - (b) **Reschedulement:** Liberal reschedulement be done on the merits of the case. For the purpose, FR powers of GM(D) delegated vide PG Circular No. 1079 dated 27.9.2004 (FR-314) shall be exercised by DGM(R) concerned till 31.3.05.
 - (c) **Settlement of NPA Cases:** Maximum number of eligible and deserving cases may be got registered for settlement in accordance

with FR circular No.326(23FR/HO/P-28/2900) dated 13.01.2005 and decided as quickly as possible by respective Committees.

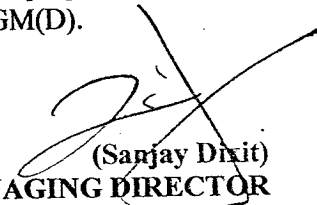
- (d) **Settlement of Small Loan cases:** This scheme is operative upto 31st January, 2005. This can also be made a tool to reduce the NPAs by covering maximum number of eligible cases under the Scheme.
- (e) **Action under 29/32(G):** Where-ever required, legal action under section 30 followed by action under section 29 be initiated. Likewise, where-ever required cases are also be processed for taking action under 32(G). Further action for disposal of units be also taken so as to reduce the number of units under possession.
- (f) **Recovery from deficit/written off/decreetal cases:** All such cases be monitored vigorously and maximum recovery affected.

III. GENERAL:

Senior officers from H.O. will also visit different regions and ensure spot decisions in all eligible cases. The visiting officers/nodal officers/ DGMs designated will furnish report to CGM(D), HO.

Branch Managers will screen each and every case slipped to NPA category during the year and they/Branch officials should contact the loanee party during the campaign period. At the end of the campaign, Branch Manager should furnish a report specifically mentioning the cases regularized during the campaign and cases not regularized indicating reasons.

DGM(R) concerned should review the progress of the campaign on daily basis and send their consolidated report by 25th Feb., 05 to CGM(D).


(Sanjay Dixit)
CHAIRMAN & MANAGING DIRECTOR

cc.to:

- (1) All ROs./BOs/
- (2) DGM(A&I), WZ, Ajmer
- (3) Standard circulation at Head Office.