

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, JAIPUR-302 005

Ref.No.RFC/23FR/HO/Policy-28/ 604

Dated: 06th March, 2007

CIRCULAR

(FR No. 434)

Sub: Regularisation of cases slipped from Standard to NPA

Attention is invited to FR circular No. 381 dated 10.4.06 followed by instructions / circulars issued from time to time that maintaining the assets quality is of paramount importance. No slippage should be allowed from Standard to Sub-standard category. Simultaneously, status of Sub-standard category and Doubtful category should also be elevated.

On review, it has been observed that there are 173 cases that were in Standard category as on 31.3.06 but have slipped to NPA as on 31.1.07, branch-wise list is enclosed. This is an alarming situation and disastrous to the health of the Corporation. The endeavour of the Corporation is to reduce the NPA in absolute terms so that money received can be deployed to generate income to the Corporation.

All concerned are therefore, enjoined upon to look into these cases immediately and ensure that this trend of slippage from Standard to NPA category is reversed. The firm line of action to effect recovery should be decided in each and every case and efforts be made to regularize the account(s) in such a manner that these are upgraded to 'Standard category' as on 31.3.07. **Out of the cases that were in Standard category as on 31.3.06, no account should remain slipped to NPA as on 31.3.07.** If there is any slippage noticed from Standard to Sub-standard category, it will be viewed extremely seriously and will attract disciplinary action.

All concerned are advised to take a note of above for strict compliance.

9/3/07

(B.N.Sharma)

Chairman & Managing Director

Encl : as above.

Copy to:

1. Branch Managers concerned
2. DGMs(R) concerned
3. Nodal Officers concerned
4. Standard circulation at HO.