

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-302 005

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

Dated: 24.08.2007

CIRCULAR
(FR No. 468)

Reg: Recovery strategy for reduction in NPAs

Attention is invited to FR circular No. 447 dated 1.5.07 whereby, recovery strategy for the Financial Year 2007-08 was circulated.

The performance of NPA was reviewed recently. It has been decided that in any case the endeavour of the Corporation is to reduce the NPA level from 30% to 16%.

In order to achieve the object of **quality** recovery, reduction in NPA and regularising the already slipped accounts, the following actions should be taken:

- i) It should be ensured that legal action u/s 30 & 29 is taken in all the cases where there is default of two or more consecutive instalments of principal / interest.
- ii) It should be ensured that accounts which were standard as on 31.3.06 but slipped during the Financial Year 2006-07, are upgraded to Standard category as on 31.3.08.
- iii) Wide publicity of various one time settlement schemes introduced for the year 2007-08 be made by way of contacting the eligible parties in person. Efforts be made that maximum number of cases are registered under the schemes.
- iv) It should be ensured that line of action is decided in each and every case and follow up / compliance is made.
- v) Action for reschedulement be taken in all deserving cases as per norms.
- vi) Action for taking over possession of collateral security should be taken simultaneous to the action u/s 30 / 29 for attachment of primary assets.
- vii) Revenue authorities be contacted personally and progress report be sent to GM(D) in all 32(G) cases by 31.8.07.
- viii) It should be ensured that visits / inspections are carried out strictly as per norms. Compliance report of the visits/ inspections carried out so far be sent to GM (D) by 31.8.07.

- ix) It should be ensured that there is no slippage in the cases sanctioned from 01.04.2000.
- x) The cases where there is stay from the respective courts should be closely followed-up and efforts ~~be~~ made for early vacation of stay orders.
- xi) To review all cases, DRC and Deficit cases review meetings be conducted as per norms and compliance report sent to GM(D) by 31.08.07.

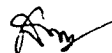
Further, it has been decided that the FR activities like Reviews & Inspections /Visits which were earlier performed by the DGM(R) ~~g~~ will henceforth be done by the concerned Branch Managers.

All concerned are advised to make a note of above and ensure strict compliance.



(B.N. SHARMA)

CHAIRMAN & MANAGING DIRECTOR



Copy to :

1. All BOs/SOs.
2. DGM(A&I) Ajmer / Jodhpur.
3. Standard Circulation at HO.