

RAJASTHAN FINANCIAL CORPORATION
(FR SECTION)

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CIRCULAR
(FR-507)

Sub: Calendar of the FR activities at Branch level

Regular monitoring and close follow up is the key for maintaining the assets quality which is of paramount importance for the financial institutions. In this age of stiff competition each and every employee of the Corporation is required to be vigilant and vibrant, duly updated with policies and procedures of the Corporation so as to ensure better services.

Well begun is half done. The Corporation with a view to improve its financial health, will commemorate the Financial Year 2008-09 as "The Year of Recovery & Cleansing of NPAs" and with this message all Branch Managers are advised to plan their FR functions in a manner so that regular monitoring and follow up of assisted units is ensured in order to arrest the NPAs immediately on occurrence of default and also to upgrade the NPAs to Standard.

Keeping the above in view, a calendar of the FR activities at Branch has been prepared which needs to be followed-up by the branches, as follows:

On weekly basis

- i) Convene meeting of follow up and recovery committee (FRC) on every Monday.
- ii) Follow-up action in case of substandard, doubtful and loss assets cases
- iii) Follow up of the cases in which repayment commitments have been made by the parties
- iv) Follow up of the progress of visits / inspections of assisted units
- v) Follow up of the new defaulting units for getting the overdues cleared.
- vi) Close follow-up of the deficit/decreetal/write off cases for identification of properties.
- vii) Follow up of the cases pending with revenue authorities and pursue for expeditious action.

On Monthly basis (on 28th of the month)

- i) Chalk out strategy for the next month i.e. date of possessions to be fixed, auctions to be conducted;
- ii) Review the cases in which p.sum instalments and interest is going to fall due and issuance of intimation letters advising to make the payment on due date(s);
- iii) List out the cases which failed to deposit the amount as per commitments and decide further line of action;
- iv) Ascertain the position of movement of NPAs and monthly analysis of health code and take immediate action to arrest the slippage in the first instance;
- v) Initiate legal action u/s 30/29 in the cases in which there is default of more than two consecutive instalments of p.sum and interest
- vi) Review of NPA cases
- vii) Ensure that all units have been attended and no case of defaulting unit should remain pending for decision for more than 15 days from the occurrence of default;
- viii) Review the cases in which legal action has been initiated for recovery of Corporation dues

- ix) Review the cases in which stay has been granted by the Court and efforts be made for early vacation.
- x) Convene DRC meetings and review the cases of default and decide line of action and follow up the cases keeping in view the line of action earlier decided.
- xi) Units under possession should be visited regularly on monthly basis by the officers/teams to whom such units have been allotted.
- xii) Close follow-up of the deficit/decreetal/write off cases for identification of properties.
- xiii) Follow up of the cases pending with revenue authorities and pursue for expeditious action.

On quarterly basis:

- i) Issue intimation letters to the loanees intimating the amount of p.sum instalment and interest is going to fall due;
- ii) Follow up of the intimations;
- iii) Follow up of the newly slipped cases and ensure to get the recoveries within a week else registered AD notice followed by FR-19 and legal notice be issued;
- iv) Review the cases of units under possession and chalk out a strategy for auction and their quick disposal;
- v) Visit/verification of collateral securities and ensure to send report to HO.
- vi) Review of NPA cases
- vii) Ensure that all units have been attended and no case of defaulting unit should remain pending for decision.
- viii) Review the cases of closed units;
- ix) Review the progress in FIR lodged cases;
- x) Close follow-up of the deficit/decreetal/write off cases for identification of properties.
- xi) Follow up of the cases pending with revenue authorities and pursue for expeditious action.

On Half yearly basis

- i) Maintenance of information base;
- ii) Sectoral analysis of defaults

On yearly basis

- i) Analysis of performance
- ii) Preparation of action plan for next financial year
- iii) Organize a get together involving Revenue authorities, DIC, RICO and existing good borrowers and as far as possible District Collector may be requested to make it convenient to Chair the function

All concerned are advised to make a note of above and act accordingly

(B.N.SHARMA)
CHAIRMAN & MANAGING DIRECTOR

Copy to:

- 1 All ROs/BOs/SOs
- 2 DGM(A&I), Ajmer & Jodhpur
- 3 Standard circulation at HO