

**FINANCIAL CORPORATION
(FR SECTION)**

Ref.No.RFC 23FR HO Policy-108 162

Dated 30-04-2008

CIRCULAR
(FR- 521)

Sub: Vision Plan for reduction of NPA

The matter regarding reduction of NPA was dwelled at length during the review of Branch Offices held recently. It was observed that the achievements of the Corporation for 2007-08 were satisfactory and all time high. But still quite a lot is required to be done for reduction of NPAs. Needless to say that reduction in NPAs is of paramount importance and would lead to better health of the Corporation and bring significant improvement in the quality portfolio of the Corporation.

It has, therefore been decided to approach this issue systematically and to ensure that the NPAs are brought down to the level of 5% or less in the next 2 years. For Ajmer, Kishangarh, Bikaner, Jaipur (City), Jaipur (VKIA), Balotra and Rajsamand, the targets have been fixed on the basis of reduction of NPA to the level of 0.5%.

A vision plan has been drawn to reduce the level of NPAs and for this purpose, targets have been fixed for each Branch Office for 8 quarters beginning from 1.4.2008 to 31.3.2010. The details of quarter-wise targets allotted and the amount upto which the NPA is aimed to be reduced is given in the enclosed Annexure.

Branch Offices would reduce NPA by 40% in first and second quarter and 20% in the third quarter. Shortfall, if any, in the first three quarters would be made up in the fourth quarter of the year for which no targets have been given. However, it will have to be ensured that the targets allotted are achieved in full during the financial year 2008-09 and 2009-10.

Detailed strategy for reduction of NPA has already been issued. It is enjoined upon all concerned that they should make all adequate efforts in this regard may be done to achieve the targets assigned so as to

fulfill the objective of reduction in NPAs at the level of 5% in next two years.

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


(B.N. SHARMA)
CHAIRMAN & MANAGING DIRECTOR

Copy to:

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

RAJASTHAN FINANCIAL CORPORATION

STRATEGY FOR REDUCTION OF NPA AS ON 01.04.2008 BY RECOVERING UP TO 31.03.2010 (ONLY PRIN AMT)

Sl. No.	BRANCH	Total Loan Portfolio as on 31.03.08	Present NPA is to be reduced up to this Amt. by the end of March, 2010	Total NPA as on 31.03.08	Amt. recoverable from 1.4.08 to 31.03.10 (8QTR)	NPA to be reduced in 2008-09								NPA to be reduced in 2009-10	
		Prin.				Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q1	Q2
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Ajmer*	1241.01	6.20	75.98	69.78	13.96	13.96	6.98	0.00	13.96	13.96	6.98	0.00		
2	Beawar	848.78	42.34	145.86	103.52	20.70	20.70	10.35	0.00	20.70	20.70	10.35	0.00		
3	Bhilwara	4633.40	231.67	2533.17	2301.50	460.30	460.30	230.15	0.00	460.30	460.30	230.15	0.00		
4	Kishangarh*	3779.07	18.90	504.74	485.84	97.17	97.17	48.58	0.00	97.17	97.17	48.58	0.00		
5	Makrana	1481.94	7.10	382.22	309.12	61.82	61.82	30.91	0.00	61.82	61.82	30.91	0.00		
6	Alwar	2271.69	113.58	1114.00	1000.42	200.08	200.08	100.04	0.00	200.08	200.08	100.04	0.00		
7	Bharatpur	834.93	41.75	479.25	437.50	87.50	87.50	43.75	0.00	87.50	87.50	43.75	0.00		
8	Bhiwadi	9984.84	498.24	1913.52	1415.28	283.06	283.06	141.53	0.00	283.06	283.06	141.53	0.00		
9	Dholpur	742.65	37.13	270.65	233.52	46.70	46.70	23.35	0.00	46.70	46.70	23.35	0.00		
10	Neemrana	1844.52	97.23	1127.14	1029.91	205.98	205.98	102.99	0.00	205.98	205.98	102.99	0.00		
11	Bikaner*	2599.86	13.00	253.52	240.52	48.10	48.10	24.05	0.00	48.10	48.10	24.05	0.00		
12	Churu	678.42	33.92	549.97	516.05	103.21	103.21	51.60	0.00	103.21	103.21	51.60	0.00		
13	Hanumangarh	522.02	26.10	521.72	495.62	99.12	99.12	49.56	0.00	99.12	99.12	49.56	0.00		
14	Nagaur	1140.05	57.00	545.02	488.02	97.60	97.60	48.80	0.00	97.60	97.60	48.80	0.00		
15	Sri Ganganagar	1289.64	64.48	350.25	285.77	57.15	57.15	28.58	0.00	57.15	57.15	28.58	0.00		
16	Dausa	752.24	37.61	266.51	248.90	49.78	49.78	24.89	0.00	49.78	49.78	24.89	0.00		
17	Jaipur (City)*	25757.83	128.79	798.24	669.45	133.89	133.89	66.93	0.00	133.89	133.89	66.93	0.00		
18	Jaipur (VKIA)*	2821.38	14.61	150.97	136.36	27.27	27.27	13.64	0.00	27.27	27.27	13.64	0.00		
19	Jaipur Rural	5002.95	250.15	1436.68	1186.53	237.31	237.31	118.65	0.00	237.31	237.31	118.65	0.00		
20	Jhunjhunu	800.86	40.34	599.63	559.29	111.86	111.86	55.93	0.00	111.86	111.86	55.93	0.00		
21	Sikar	1008.81	50.44	672.20	621.76	124.35	124.35	62.18	0.00	124.35	124.35	62.18	0.00		
22	Tonk	335.19	16.76	118.69	101.93	20.39	20.39	10.19	0.00	20.39	20.39	10.19	0.00		
23	Abu Road	3279.47	163.97	2002.26	1838.29	367.66	367.66	183.83	0.00	367.66	367.66	183.83	0.00		
24	Balotra*	1174.93	5.88	154.48	148.60	29.72	29.72	14.86	0.00	29.72	29.72	14.86	0.00		
25	Jaisalmer	528.37	26.42	110.27	83.85	16.77	16.77	8.39	0.00	16.77	16.77	8.39	0.00		
26	Jalore	548.86	27.44	424.00	456.56	91.31	91.31	45.66	0.00	91.31	91.31	45.66	0.00		
27	Jodhpur	5587.61	278.38	1077.91	799.53	159.91	159.91	79.95	0.00	159.91	159.91	79.95	0.00		
28	Pali	1845.57	92.28	1211.75	1129.47	225.89	225.89	112.95	0.00	225.89	225.89	112.95	0.00		
32	Jhalawar	617.01	30.85	143.09	112.24	22.45	22.45	11.22	0.00	22.45	22.45	11.22	0.00		
33	Kota	2419.08	120.95	391.64	270.69	54.14	54.14	27.07	0.00	54.14	54.14	27.07	0.00		
35	S'Mpu:	772.11	38.61	285.13	246.52	49.30	49.30	24.65	0.00	49.30	49.30	24.65	0.00		
36	Banswara	1287.47	63.37	556.09	492.72	98.54	98.54	49.27	0.00	98.54	98.54	49.27	0.00		
37	Chittorgarh	987.61	49.38	204.39	155.01	31.00	31.00	15.50	0.00	31.00	31.00	15.50	0.00		
39	Rajsamand*	856.50	4.28	128.98	124.70	24.94	24.94	12.47	0.00	24.94	24.94	12.47	0.00		
40	Udaipur	3350.57	167.53	1193.51	1025.98	205.20	205.20	102.60	0.00	205.20	205.20	102.60	0.00		
	Grand Total	93551.24	2952.69	22773.43	19820.74	3964.15	3964.15	1982.07	0.00	3964.15	3964.15	1982.07	0.00		

Note: * Starred BRs having NPA below 15% of Total O/S

** Shortfall (if any) in the first 3 quarters is to be made up in the IV Quarter every year.

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