

RAJASTHAN FINANCIAL CORPORATION

(P&C Division)

Minutes of Branch Managers' Conference held on 24.08.2018

A Meeting to review the achievements made by the field offices in key areas of operations and to discuss the strategy to achieve the targets fixed for FY 2018-19 was held on 24.08.2018 at 10.15 A.M under the chairmanship of Smt. Urmila Rajoria, Managing Director.

The following were present:

1. Smt Sandhya Sharma, ED
2. Shri Dinesh Mohan, GM (D) / (Ops)
3. Shri B R Sharma, DGM (CAS-I & II)
4. Shri Sanjay Lahari, DGM (P&A)
5. Shri M S Meena, DGM (P&C) / (GAD)
6. Smt. Saroj Bagadia, DGM (FR)
7. Shri R B Jain, DGM (F&A)
8. Shri K K Gupta, Manager (MS)
9. Shri Pankaj Purohit, Manager (I/c-Law)
10. Shri Anil Goyal, Manager (CAS-I)
11. Shri Sanjay Tak, Manager (CAS-II)
12. Shri Lalit Sharma, Manager (FR)

Following Branch Managers were also present:

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| 1 | P L Verma, Manager | Abu Road |
| 2 | Ramji Lal, DM | Alwar |
| 3 | Khiladi Lal Meena, DM | Bharatpur |
| 4 | Ajay Kumar, Manager | Bhilwara |
| 5 | Sita Ram Meena, DM | Bhiwadi |
| 6 | Suresh Kumar, DM | Bikaner |
| 7 | Vijay Bhargava, DM | Chittorgarh |
| 8 | Net Ram Bairwa, DM | Dausa |
| 9 | Rakesh Kumar, Manager | Jaipur (Central) |
| 10 | B L Gurjar, Manager | Jaipur (South) |
| 11 | D K Achha, Manager | Jaipur, North |
| 12 | Satish chand Jain, AM | Jhalawar |
| 13 | Vijay Mathur, AM | Jhunjhunu |
| 14 | H R Nawal, DM | Jodhpur(II) |
| 15 | Anil Choudhary, DGM | Jodhpur-I |
| 16 | G K Barupal, Manager | Kishangarh |
| 17 | Arun Gupta. Mgr. | Kota |
| 18 | Raj Kumar, DM | Makrana |
| 19 | M C Purohit, DM | Pali |
| 20 | Madhu Khanna, DM | Rajsamand |
| 21 | D K Gupta, DM | S.Madhopur |
| 22 | P P Chaturvedi, DM | Sikar |
| 23 | H K Miglani, DM | Sriganganagar |
| 24 | G C Jain, Manager | Udaipur |

At the outset MD welcomed all Branch Managers and stressed for focused attention on all key area activities and advised all the BMs to achieve the assigned targets. While discussing the priorities the MD mentioned that it is the need of the hour to cleanse the NPAs and increase the standard port folio by increasing loan sanctions/disbursements and settlement of age old sticky loan accounts. The MD advised all the BMs to show more

professional attitude, start working hard and ensure that sanctions of loan are converted into setting up of industries and generation of the employment to boost overall Industrialization in the state. The MD also advised to make Information Technology as a central part of their working. Everybody has to be computer friendly and more we need to shift to IT. Awareness campaign should also be organized by the BMs to educate the borrowers so that they can view their loan accounts online and intimate discrepancy, if any. The following discussions were held in the meeting:-

1	While reviewing the progress of key area activities of sanctions, disbursements, recoveries, NPA recoveries, progress under One Time Settlement Schemes, disposal of units under possession, review of court cases and pending audit paras' etc. the MD expressed her concern on the performance made till 15.08.2018. As against targets of sanction, disbursement, recovery the achievements are only 19.28%, 25.48% and 21.28% respectively. The progress made in relation to pro rata targets is not up to the mark. The Branch wise progress was reviewed and during discussions all the BMs committed to the MD that they will achieve the assigned targets. As regards registration of the cases under OTS scheme, all the BMs committed to register maximum eligible cases. It was observed that during the current financial year, the Corporation has sanctioned Rs.18.71 crore up to 15.08.2018 as against the target of Rs.200.00 crore for the FY 2018-19 under YUPY Scheme. The MD shown her displeasure to those branch offices who have not sanctioned even a single case under this flagship scheme and advised them to improve their performance and do more business under YUPY scheme by popularizing the scheme and making aware the prospective entrepreneurs about the same. During discussions about litigation matters, all the BOs were advised to submit information about all the cases in which stay was granted by various courts, cases pending with labour courts, cases where State Government is a party, consumer court cases and Lok Adalat cases where an amicable solution may be made. The Manager (I/c-Law) was advised to convene a separate review meeting about all the litigation matters and pending audit paras' at their level. All the BMs were advised to send MIS related to court cases to law section at Head Office. The units under possession were also discussed in detail with a view to dispose of the same either through revival in original hands or through auction. BMs were advised to make pro-active efforts for locating suitable buyers and dispose of the units under possession. The performance of BOs in NPA recovery was reviewed and it was observed that BOs are not paying due attention on recoveries from NPA cases. In some BOs, there is delay in taking timely action for recovery resulting in increase in NPA. It was directed that NPA cases need to be monitored regularly and timely action as per norms may be initiated to check the default at initial stage itself. The performance of BOs in OTS scheme (extended up to 30.09.2018) was reviewed and it was observed that BOs are not paying due attention for registration of the cases under this scheme. BMs were advised to make aware the eligible loanees about the scheme, identify the properties by adopting Investigative approach, be in constant touch with the revenue authorities for expediting action on the RODs
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	pending, get execute the decrees and compel the laonees/guarantors to get their cases registered under OTS scheme and also regularly monitor the progress of payment of interest and instalments in the cases already settled earlier. While reviewing the audit paras, all the BMs were advised to look into each audit para and send latest update / action taken report so that compliance may be sent to the AG/respective authority. Action by All BMs
2.	In some cases the assets of our assisted concerns have been taken over into possession by OL, Excise deptt. and they have either sold or are in the process to sell and the share of the Corporation in the sale proceeds has not been received. In some cases assets have been sold by the lead institution i.e. RIICO, IFCI, Banks but apportionment of sale proceeds have not been done and share of RFC has not been received. During review the BMs have pointed out some such cases i.e. M/s Rajasthan Glyoxal Ltd., M/s K.T. Marble, M/s Mewar Textile Mills Ltd., M/s Naveen Stone Crusher, M/s Laxmi Cement, M/s Marudhar Roller Flour Mill, M/s Indo Engineering etc. The MD directed that these cases are required to be closely monitored by DGM (FR) and progress be reported on monthly basis to the management. Action by DGM (FR)
3	After detailed review of the progress of each BO, the session was opened for suggestions of the BMs for boosting business, reduction in NPA level etc. During this session good suggestions were received which needs to be examined by the concerned sections at HO for review of existing policy wherever required:- i) In some cases the title of the land on which the project is proposed to be set up is sometimes in the name of partners. In such cases the Corporation does not consider granting of loans unless the title is transferred in the name of the partnership firm which attracts stamp duty making such transfer costly. Whereas the commercial banks are providing loans in such cases. Action by Manager(I/C-Law) ii) The cases in which an Industrial unit is set up on converted land then the Corporation requires collateral security having value equivalent to the loan amount. Whereas commercial banks are providing loans based on the value of primary security. Action by DGM (CAS) iii) On account of non availability of stamp papers and delay in franking the execution of loan documents is delayed. Therefore, the Corporation may explore the possibility of e-stamping. Action by Manager(I/C-Law) iv) There is a provision of obtaining NOC from RIICO before mortgaging the lease deed. Sometimes it is delayed thereby delaying the executing of loan documents. Therefore, the documents may be executed on submission of undertaking by the party that NOC from RIICO will be submitted within 30 days. Action by Manager(I/C-Law)

- v) In some cases MRV of primary security is fairly high in proportion to the dues of the Corporation as such the Corporation may consider to frame a new scheme for financial assistance to such cases for Working Capital also besides providing loan against land, building and P&M.

Action by DGM (CAS)

- vi) The Corporation may consider to introduce a new scheme exclusively for financing the projects being set up by SC/ST/Women entrepreneurs on liberal terms on the lines of KSFC.

Action by DGM (CAS)

- vii) Rate of interest under Gold Card Scheme and Platinum Card Scheme may be considered to be reduced to make these schemes more attractive.

The formula for calculation of admissible loan on the basis of four/five times of cash accruals needs reviewed.

Action by DGM (CAS)

- viii) The moratorium period and repayment period under Saral Scheme may be suitably enhanced. The switch over cases may be considered for 100% switch over under Saral Scheme.

Action by DGM (CAS)

- ix) More repayment period/moratorium period may be allowed under Flexi loan scheme.

Action by DGM (CAS)

- x) Under YUPY scheme the interest subvention is available up to loan amount of Rs. 1.50 crore. Sometimes the loanee prefers to take of the project in stages in a phased manner and accordingly further loan is required. In such cases the subvention should be allowed on such further loans also subject to the total ceiling of Rs.1.50 crore aggregating all loans sanctioned.

Action by DGM (CAS)

- xi) The BM, Alwar requested to review the jurisdiction of BO, Dausa and requested that Toda Bhim Tehsil may be included in the jurisdiction of BO, Dausa.

Action by DGM (P&A)

- xii) Each Branch should be provided one Laser distance meter.

Action by DGM (GAD)

- xiii) More repayment period should be allowed in the cases being sold by the Corporation by way of public auction on deferred payment basis.

Action by DGM (FR)

- xiv) Under One Time Settlement scheme following may be considered:-

- a) The operative period of the scheme should be extended up to 31.3.2019.
- b) The facility to pay the settlement amount in instalments should be provided as was available earlier.

c) The cases which have been settled earlier by SLC/HOLC/under any settlement scheme but party could deposit only a part amount and thereafter failed to clear the entire settlement amount and now is requesting to revive the earlier settlement with interest for delayed period then such cases should be considered and allowed to deposit the settlement amount with interest as per earlier settlement. In deserving cases the Corporation may also consider to forego delayed period interest in toto or part thereof.

d) In some cases parties had deposited the upfront payment several times for OTS and subsequent appeals. In the settlement scheme only the last upfront payment has been allowed to be adjusted against the settlement amount. In deficit cases the Corporation is waiving of entire outstanding interest and also waiving of part of the principal sum. To keep at par the loanees who had earlier deposited upfront payment for OTS/appeals/subsequent appeals and it is a deficit case then the Corporation should adjust the amount so deposited as above after the account has been declared as deficit. This will settle several cases and the Corporation will be able to get rid of such sticky accounts.

Action by DGM (FR)

xv) The cases in which on account of bouncing of cheques complaints have been lodged under NI Act and later on the loanee either cleared the entire outstanding. Presently, in some situations the cases are required to be referred to HO for prior permission to withdraw the complaint. This unnecessarily invites grievance from the loanees. Therefore, the powers to withdraw may be delegated to BM irrespective of number complaints.

Action by Manager(I/C-Law)

xvi) The available man power with the Corporation working in the BOs is not well groomed and attuned to provide prompt services and sometimes they are not well aware about the loan schemes, norms, procedures which delays the delivery of services. Therefore, regular training programme should be arranged for the officers posted in BOs/HO. Wherever possible training at Divisional HQs may be organized.

Action by DGM (P&A)

xvii) The Procedure and Guidelines needs to be updated.

Action by DGM (P&A)

xviii) The method of MRV calculation needs revision as there is rider that the MRV cannot be more than the upper cap of 1.6 times of DLC rate. In some cases of prime location the MRV is sometimes very much high than the above. The present method is proving counterproductive in such cases and the business is snatched by Banks.

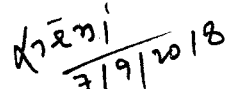
Action by DGM (CAS)

xix) Left out cases of loans sanctioned upto Rs.2.00 lakhs (in such cases a decision was taken to finally write off such accounts) and transport loans provided to SC/ST/Ex-service man (in such cases a decision was taken earlier that in case the loanee has repaid more than the amount disbursed then such cases may be finally written off. Clear guidelines in this regard may be issued after due examination.

Action by DGM (FR)

	xx) Need based man power may be deployed in the branches. Action by DGM (P&A) xxi) The Technical and Law officers may be reassigned the BOs to take care the respective work. Action by DGM (P&A)
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The meeting ended with a vote of thanks to the Chair.


 (SANDHYA SHARMA)
 Executive Director

Ref.No.RFC/P&C (289)/

Dated: 31.08.2018

Copy for information to:

- PS to MD
- PA to ED/ ED(F)

Copy forwarded to the following for information and with a request to take necessary action for compliance of decisions at their end accordingly

- All GMs / DGMs / M (I/c) / Manager at HO
- All BMs