



**Ref No.KSFC/HO/MD/ED(F)/744/2008-09**

**Date : 13.08.2008**

**CIRCULAR No.821**

Sub : Review of recovery performance as on 30.06.2008.  
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The Board in its meeting held on 31.07.2008 has reviewed the performance of the Corporation for the period ending 30.06.2008. On the recovery front, the Board noted that even though the achievement in recovery is better than the performance of the previous year for the corresponding period, the recovery from the arrears is still negative. Further, the Board also noted that the NPAs as on 30.06.2008 stands at 42.17% which is not an acceptable figure. The Board after discussion desired that instructions should be issued to the concerned officers as under:

- (a) To closely monitor the implementation of the projects and to initiate recovery measures without lapse of time, if the default is deliberate.
- (b) To initiate action under Negotiable Instruments Act 138 in respect of cheque bounced cases.
- (c) To ensure that standard asset do not slip to sub-standard category and such of those standard cases which have already slipped during the current financial year should be elevated.
- (d) The NPAs should be closely monitored and the portfolio should be reviewed on monthly basis by the supervising officers who should pass directions to the field level officers for up-gradation of the slipped assets.
- (e) The NPA units should be visited atleast once in a month by the recovery officers and once in a quarter by the BMs/ZMs who should interact with the loanee to assess the problems faced by the unit and to sort out the same in the process of upgrading the asset. The visit reports should be audited by the IA.
- (f) 100% of the sub-standard assets as on 01.04.2008 particularly, the cases sanctioned in the last 3 years, should be elevated to standard category and the concerned ZMs/BMs/HODs shall be held accountable for non-accomplishment. Such of those ZMs/BMs/HODs who accomplish this target should also be suitably rewarded as decided by the MD.
- (g) Further, the Corporation has committed to SIDBI / GoK to write back of Rs.100 crore during the current financial year to reach positive network. To achieve this goal,



the Corporation has to either upgrade the NPAs to standard category or to recover minimum principal amount of Rs.200 crore from NPAs during the year. The Board desired that target for up-gradation of NPAs should be fixed to concerned officers. In this regard, all the BMs / ZMs and HODs of recovery departments at HO are hereby given the following targets:

- Not to allow any slippage from the standard assets as on 01.04.2008;
- 100% of the sub-standard assets shall be elevated to standard category;
- To upgrade or resolve minimum 80% of the loans outstanding from D-I assets as on 01.04.2008;
- To upgrade or resolve a minimum 60% of the loans outstanding from D-II assets as on 01.04.2008;
- To upgrade or resolve a minimum 40% of the loans outstanding from D-III assets as on 01.04.2008;

The above instructions shall be strictly complied with. DGM(IA) shall cover the implementation of the above instructions by the BMs and HODs in HO in the audit report and report submitted to MD on quarterly basis.

*The contents of this circular shall be brought to the notice of all the concerned in your office / department.*

Sd/-  
MANAGING DIRECTOR

To :

All BMs  
All ZMs / DGMs of Super 'A' Branches / IA cells  
All Principal Officers / Section Heads in HO  
All General Managers  
Library

Executive Directors - for information.