

**Action Plan -- NPA / Recovery Management for the year ended 31-03-**

Sr. No.	Action Plan	Responsibility	Review Dates			
<b>1.0</b>	<b>Cash Credit:</b>					
1.1	To ensure that outstanding in the CC account should be less than the limit / DP at least once in a quarter.					
1.2	To ensure that there are credits in every quarter in CC account.					
1.3	To ensure that credits in the CC account are adequate to cover the interest debited during the said period.					
1.4	Outstanding balance in CC account should be less than the limit / DP at least for one day during the period 31-12- to 31-03-					
1.5	Credit in the CC account for the said period should be adequate to cover the interest debited during the period. As a thumb rule, credits of approx. 10 % of the limit should be received in the account to cover the interest for the said period.					
1.6	Stock statement should be received at least once in a quarter.					
1.7	Stock statement as on 31-12- should be received by 31-03-					
1.8	If stock statement as on 31-12- is not received by 20-01- , then branch and HO officials should carry inspection jointly and inspection report should be kept on record.					
1.9	An account where the regular / adhoc credit limits have not been reviewed or have not been renewed within 90 days from the due date / date of adhoc sanction, will be treated as NPA.					
1.10	CC accounts having due date 31-12- should be renewed by 31-03-					
<b>2.0</b>	<b>Debit balance in Deposit Account:</b>					
2.1	Debit balance in deposit a/c should be recovered within 90 days.					
2.2	Debit balance in Current account as on 31-12- should be recovered by 31-03-					
2.3	Debit balance in Savings account as on 31-12- should be recovered by 31-03-					
<b>3.0</b>	<b>Letter of Credit Paid:</b>					
3.1	Debit balance in LC Paid account outstanding as on 31-12- should be recovered by 31-03-					

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4.1	<b>Term Loan:</b>					
➤	The Term loan will be treated as NPA when interest and / or installment of principal remain overdue for a period of more than 90 days.					
➤	Interest and Installment up to 31-12-2006 should be recovered by 31-03-					
5.0	<b>Bill Discounting:</b>					
5.1	Bills remaining overdue for a period of more than 90 days will be classified as NPA.					
5.2	Bills having due date 31-12- or prior should be recovered by 31-03-					
6.0	<b>Valuation Report:</b>					
6.1	Valuation of security in case of NPA with balance of Rs.10 Lacs & above should be done at least once in 3 years as per RBI circular dated 06-10-2001.					
6.2	Valuation report in case of PA may also be obtained once in 3 years.					
7.0	<b>Loan against security of FDR / RBD / NSC / IVP / KVP / LIC:</b>					
7.1	To review the Overdrawn / defaulters list and ascertain whether outstanding balance and interest receivable is within the face value of the security + accrued interest till date.					
7.2	Follow up should be done for recovery of interest / overdue amount.					
7.3	If TDR, NSC, KVP etc. have matured, then adjust the proceeds against loan balance.					
7.4	In case of OD / DPLN against security of FDR, MIP etc. interest on FDR & MIP may be credited to SB / CA instead of to OD / DPLN. Review should be made of OD / DPLN against FDR / MIP and take corrective steps.					

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<b>8.0</b>	<b>Inspection:</b>					
8.1	All CC & Term loan accounts above Rs. 5 Lacs should be inspected by 31-03-					
<b>9.0</b>	<b>Obtaining Information from borrowers:</b>					
9.1	Audited accounts, Accounts, Audit report, Tax Audit report, Income tax return copies, company secretarial compliance certificate etc. for the year ended 31-03- should be obtained from all borrowers enjoying limit of Rs. 3 Lacs and above.					
<b>10.0</b>	<b>Multiple Limits:</b>					
10.1	Close monitoring should be done in case borrower is enjoying multiple limits because overdue in one account may result in classifying all accounts as NPA.					
<b>11.0</b>	<b>Transfer from Current A/C:</b>					
11.1	At times, borrower maintains Current account in addition to Loan account and carries out operations in CA. Branch should review the operations in CA periodically and transfer the funds from CA to CC / Loan account to avoid classifying these accounts as NPA.					
<b>12.0</b>	<b>Notes:</b>					