

RECOVERY & NPA MANAGEMENT POLICY

The policy is intended to contain NPAs to a minimum level in conformity with the guidelines issued by Government of India and our sponsor bank. The policy includes both preventive and curative measures for containment of NPAs through various measures inter-alia i) maintenance of quality of assets through proper credit appraisal ii) thorough scrutiny and processing of such applications iii) maintaining the quality of assets by having proper monitoring mechanism iv) identifying the weaknesses of assets through early warning signals v) effective measures to prevent those accounts whenever symptoms of deterioration in quality are observed vi) identification of potential NPAs vii) up-gradation of assets through various methods viii) recovery of NPAs through legal process, compromise settlements, announcement of OTS and ix) writing off the loss assets where prospects of recovery or up-gradation are perceived to be bleak.

2. The primary guiding factor for recognizing an NPA is the Income Recognition and Asset Classification (IRAC) norms advised by RBI to RRBs from time to time. In terms of these, loan accounts will be identified as potential NPAs classified as IRAC 1, 2 & 3 which have become overdue by one week, one month and two months respectively. Similarly, newly turned NPAs are identified as IRAC-4 as at the end of 90 days overdue period.

3. Potential NPAs or Special Mention Accounts

3.1 'Early warning signal system' is an integral part of Bank's Risk Management process as it provides an opportunity for early identification of potential NPAs, review and reporting of problem loans and initiation of time bound corrective action including rehabilitation and restructuring. Keeping the above in view, in tune with RBI guidelines, a new category of asset is introduced viz., Potential NPAs or Special Mention Accounts (SMAs) between 'standard' and 'sub-standard assets' has been introduced which show tendencies for possible default or delinquency. These potential NPAs or Special mention accounts would not require any provisioning as they are not classified as NPAs. We have already devised a report named as "IRAC 2 & 3" through which details of borrower wise potential NPAs are advised to branches and Regional Offices at weekly intervals.

3.2 The objective behind providing these reports is to put in place a mechanism for internal monitoring and follow up of these accounts for regularization so as to prevent them from slipping to NPA category. Normally, the following categories of accounts would be designated as potential NPAs.

a) Accounts where interest/installment has not been served for 30 days.

b) Accounts which are not in default but showing early warning signals such as frequent return of cheques, non-submission of financials at regular intervals etc.,

c) Failure to complete the unit as per the project report.

3.3 The following are the reasons for default or account becoming special mention account.

a) Diversion of funds b) Disputes within c) No contribution by the borrower

d) Natural calamities e) Defective sanction f) Delay in disbursement

g) Failure of activity h) Poor maintenance of unit i) Personal accidents

j) Borrower avoiding contacting with bank k) Delay in submission of required data

l) Increased competition m) Sales not routing through our account

3.4 Once the account has been identified as IRAC-1, branches shall call the borrower over phone and advise the borrower to regularize the account immediately. If it is not regularized and slips to IRAC-2, the branch shall analyse the following:

- The problem based on facts and circumstances and shall take immediate remedial steps for upgrading the loan account.
- Diagnose the reasons for the deterioration of the asset is essential for taking remedial action. Close monitoring of the unit is required.
- Revalidate assumptions made at the time of sanction of loan duly undertaking the assessment of credit risk up to Rs.1.00 lakh. Regional Office has to analyse in respect of loans above Rs.1.00 lakh.
- Verify correctness of documentation including revival position, creation/registration of charges, insurance cover etc., to be made and deficiencies if any have to be rectified immediately.
- Verify whether charges pertaining to insurance, equitable mortgage, processing charges are due to be paid.
- Whether all parameters including gestation/moratorium details are fed in the system correctly.

- *Whether the problem faced by the borrower for delinquency is of temporary in nature or whether any proactive action like guidance, nursing, problem resolving from the bank-side is required.*
- *Bring the deterioration in asset quality to the notice of the borrower and call upon him to regularize the account. Obtain realistic and time bound commitment from the borrower/guarantor to initiate necessary suitable steps to arrest deterioration in the loan quality.*

3.5 The system of identifying and classifying accounts as potential NPAs is in addition to and not in substitution of the asset classification under IRAC norms.

*3.6 In order to prevent loan accounts from becoming NPAs preventive measures to be taken are furnished in **Annexure-I**.*

4. Impaired Assets/Non-Performing Assets

*4.1 There are several reasons for loan accounts becoming NPAs which can be categorized under three heads viz., External, Internal and Bank related reasons as furnished in **Annexure-II**. If these are handled properly many loan accounts can be prevented/upgraded.*

*4.2 In order to have a proper monitoring mechanism, robust MIS has been put in place. Branches shall maintain '**NPA Monitoring Register**' (as furnished in **Annexure-III**) wherein crystallization of each NPA account will be done along with action proposed for recovery/regularization.*

4.3 Branch wise/region wise NPA levels vis-à-vis NPAs as on March of previous Financial Year and increase/decrease over previous day shall be advised by IT Cell for the information of branches and management.

4.4 Apart from above, the following reports will be provided by the IT Cell for better monitoring and control:

a) Details of borrower wise/activity wise NPAs at weekly intervals.

b) Quick Mortality accounts at fortnightly interval

c) Loan accounts sanctioned recently but appearing as NPAs due to non-recovery of processing charges

d) Fortnightly reports containing details of loans sanctioned in a month for amounts above Rs.1.00 lac, above Rs.5.00 lacs and NPA accounts above Rs.1.00 lac and NPAs above Rs.5.00 lacs.

e) NPA reports in excel format to enable branches to prepare reports as per their requirements to enable them to maintain the data for easy reference and follow up.

f) Annual SA returns containing details of borrower wise asset classification and provision made.

4.5 The NPA Management department shall ensure the following:

Details of Top-50 NPA accounts and provision held against each account and the reasons for becoming NPA

- *Details of fresh accounts turned in to NPA, Recovery made/renewed and written off*
- *Necessary provisions towards NPAs as per the extant RBI guidelines shall be made on a monthly basis.*
- *Analysis of NPAs shall be submitted on monthly/quarterly basis.*

4.6 The NPA Management department at Head Office shall provide necessary inputs and guidance to regions and branches for reduction of NPAs depending upon the need & circumstances keeping the seasons and requirements in view.

4.7 Asset classification and stamping of accounts will be done at monthly intervals by the system.

4.8 The following action points are advised to branches when loan accounts become irregular:

a) NPAs under Farm Sector & SHGs:

i) *Conducting Gramasabhas in all our villages involving government departments' viz., Revenue Officials, Agriculture dept., village elders and well-wishers of bank to impress upon the farmer borrowers and SHG members with the advantages of prompt repayment of loans.*

ii) *Meeting the borrowers and insist for regularizing the loan accounts.*

iii) *Sending notices advising the borrower to regularize the loan account within ten days, immediately after the account appearing under IRAC-2. Reminder has to be sent after 15 days if not regularized.*

iv) Register Notice with Acknowledgement Due has to be sent if the account is not regularized after issuing ordinary notice and upon the account appearing under IRAC-3.

v) Legal notice has to be issued to all high value agriculture loans where agriculture lands are mortgaged to our bank if the account is not regularized even after issuing registered notice.

vi) Recommendations for filing of suits have to be submitted where there are no chances of compromise or compromise is not in the best interest of the bank duly ascertaining the latest addresses of borrowers and guarantors and details of all assets (both movable and immovable) possessed by them to pray for attachment before judgment.

vii) Compromises can be entertained where the recovery of entire dues is not possible through realization of property. Lokadalat mechanism can also be utilised wherever feasible

viii) Good SHGs services may be utilised for tracing out addresses of absconding/migrated borrowers

ix) VO wise list (as per **Annexure-IV**) have to be compiled to have entire information of all SHGs at one place and to update the same once in a month

x) IKP (Government agencies) and Village Organisations have to be involved for recovery and regularization of NPAs under SHG segment. Community Based Recovery Mechanism (CBRM) meetings at branches have to be conducted at monthly intervals to review the recovery position.

b) NPAs under non-farm sector Loans:

i) Auction notice in respect of gold ornaments should be issued to PGL-NPA accounts immediately after the account becoming NPA by following due procedure.

ii) Services of empanelled Enforcement agents, Recovery agents & Seizure agents can be utilized for the purpose of recovery.

iii) Action under SARFAESI Act, 2002 is to be initiated for all eligible cases once the account slips to NPA without any delay.

iv) Filing of suits praying for attachment of properties duly ascertaining the assets possessed by the borrower and guarantor.

v) Seizure notice should be issued to all vehicle loan accounts once the account slips to NPA.

vi) *Contacting Placement Officers of respective colleges where a student borrower has pursued his/her studies and searching through social network sites for tracing out the details of borrowers in respect of irregular Education loans and issuing notices.*

vii) *Addressing letters to employers requesting to extend cooperation in recovery of loan if the student borrower is employed.*

viii) *Contacting the employers, unions and associations of staff in various departments for tracing the present place of posting in respect of defaulting employees who have availed personal loans or address a letter to employer under RTI Act to advise the details of transferred/retired employees.*

ix) *Filing cheque bounce cases under Sec.138 of N.I. Act where Post Dated Cheque/ECS mandates have been dishonoured.*

x) *Taking up the over dues issue in JMLBC/DCC seeking the cooperation of respective departments for recovery of loans.*

xii) *Furnishing lists of defaulters under government sponsored schemes to respective agencies requesting to extend cooperation in recovery/regularization of accounts.*

xiii) *Filing of cheating cases wherever misutilization has taken place.*

xiv) *Lodging claims under CGTMSE promptly.*

xv) *Utilising the One Time Settlement Scheme (OTS) as and when the Bank announces such schemes with due approval of Board.*

xvi) *Submitting request for waiver of legal action where recovery of loan is not possible through legal action.*

xvii) *Submitting recommendations for writing off loans where security is not available and adequate provision has been made against the loan outstanding and it is certain that loan cannot be recovered by any means.*

xviii) *Incentives to best performing branches.*

4.9 Capacity building measures by conducting training programmes & workshops at our Staff Learning Centre (SLC) and at regions for field functionaries (keeping the newly recruited/promoted officers in view)

4.10 The following Master circulars have been issued and these circulars will be updated duly incorporating changes at yearly intervals.

i) Adv Cir.239/2016-17 dated 20.3.2017 Master circular on SARFAESI Act, 2002

ii) Adv Cir.238/2016-17 dated 20.3.2017 Master circular on AUCA with accounting procedure

iii) Adv Cir.240/2016-17 dated 20.3.2017 Lokadalat Procedure

iv) Adv Cir.241/2016-17 dated 20.3.2017 Master circular on Suit filing procedure

v) Adv Cir.51/2017-18 dated 14.7.2017 on NPA Monitoring Register & Crystallisation

vi) Adv Cir.87/2017-18 dated 20.10.2017 on maintain VO wise lists of SHGs

vii) Adv Cir.No.237/2016-17 dated 20.03.2017 Master circular on compromise

4.11 Monitoring of NPAs at Head Office will be done as under

a) NPAs having outstanding above Rs.20.00 lacs will be monitored by a committee headed by Chairman with General Manager-III and AGM (Credit & RRM) as committee members

b) Four General Managers shall monitor NPAs in the regions allotted to them.

c) Each Head of the Department will monitor the NPA position in their allotted region

d) Top-100 NPA branches will be allotted to officials working at Head Office (each official 3 to 4 branches) who will visit branches, participate in recovery drives and guide the branches.

4.12 Devised a format for **'Problem Loan Account Review'** (Annexure-V) for loans above Rs.10.00 lakhs through which review will be done for high value advances and appropriate action plan would be given for regularization.

4.13 Allotment of branches in a region to all Desk Officers working at regional office for close monitoring. They will participate in recovery camps and contact the borrowers over phone and also in person during their visits to branches.

4.14. Established Account Tracking Cell (ATC). The officials call the overdue borrowers (under IRAC 2, 3 & 4 and above) over phone and pursue for recovery.

4.15 Review at different levels at monthly intervals for Regional Managers and to Senior Manager (Advances) at quarterly intervals by Head Office

4.16 Review for Branch Managers at monthly intervals and to Field Officers at quarterly intervals by Regional Office.

4.17 Periodical review of SARFAESI cases and Suit filed cases by Head Office through Audio conference.

4.18 Conducting Advocates meet in all regions once in half year to review the position of pending cases.

4.19 Designated one Desk Officer in each region exclusively for NPA monitoring.

4.20 Sharing of data with CIBIL & other CICs so that our overdue borrowers will not be able to get loans from other bank.

5. Discretion for according approvals:

5.1 **Transfer to Recalled Debts and Filing of suits:** Regional Office Credit Committee (ROCC) headed by Regional Manager along with Senior Manager (Adv) as Member Secretary, Senior Manager (Admin) and One Scale-III Branch Manager as members shall scrutinize and recommend the proposals to Head Office for wavier of legal action and suit file..

5.2 Powers to write off loss amount on account of Compromise/OTS:

Up to Rs.3.00 lakh – HOCC-II

Above Rs.3.00 lakhs and up to Rs.10.00 lakhs – HOCC-I (headed by Chairman and all GMs as members)

6. Review of Doubtful/Loss Assets/AUCA

6.1 **Doubtful/Loss Assets/AUCA** are not generally considered amenable to any rehabilitation efforts and hence, these assets are being clubbed so that the focus of the review will shift entirely to various means of recovery i.e. legal action, compromises, enforcement of security rights under SARFAESI etc., Importance is attached to AUCA also as recovery efforts in these accounts might not have been exhausted. Further, there may be accounts which have deteriorated to Doubtful or Loss assets due to mere passage of time and not due to deterioration of security and are still viable. Exclusive review of such accounts should be done by the regions and necessary recommendations should be put up to Head Office including option of restructuring.

6.2 Writing off loans: As a matter of policy, loans with small outstanding where recovery chances are remote and adequate provision has been made will be reviewed every year. As part of cleansing of Balance Sheet a prudent decision will be taken to write off such loans (excluding staff loans and fraud related loans).

Eligible accounts for write off:

- i) The accounts proposed to be written off should be classified as doubtful or loss assets (IRAC 5 and above) in respect of which approval for waiver of legal action has been granted.
- ii) The loan account should have adequate provision so as to contain the loss at minimum level.
- iii) The accounts to be considered for writing off include residual balances after appropriating the securities.
- iv) The accounts where no security is available and the units not in existence can be considered for write off.
- v) Accounts pertaining to fraud where staff accountability has been examined and legal and other proceedings have been completed can be considered.
- vi) Accounts where suits have been filed but chances of recovery are bleak even if the cases are decreed.

2. The proposals for write off shall be accorded approval subject to adherence of the following:

- i) Prior sanction for write offs must be obtained from the competent authority by submitting the proposal in the prescribed format.
- ii) All write off proposals should be thoroughly screened by the ROCC before submitting for approval.
- iii) Staff accountability examination status has to be indicated in the proposals put up for write off.
- iv) Write off should be effected only after transfer to Recalled Assets account.
- v) It has to be ensured that the authority approving the write off proposal did not sanction the advance in question in his individual capacity.
- vi) Branches on receiving write off approvals should carry out the exercise and the amounts written off should be invariably parked in Advances Under Collection Account (AUCA) irrespective of outstanding.

vii) *The details of written off accounts should be entered in the AUCA register invariably and should be balanced once in a quarter.*

viii) *The follow up should be continued for recovery on par with other live accounts.*

ix) *It should be ensured that the relative documents are enforceable and legal options/compromise proposals to be explored.*

x) *All possible steps to recover the dues have to be initiated and should be continued for recovery of the debt even after write off in the larger interest of the bank.*

xi) *These accounts will be reviewed from time to time to watch the progress of recovery in such accounts and desirability of further continuation of an account in AUCA.*

xii) *It should be ensured that the details of accounts written off are uploaded in CIBIL.*

3. Branches will be advised to submit recommendations for writing off proposals to Regional Office duly verifying each NPA account as crystallised in NPA Monitoring Register in respect of eligible accounts. Regional Office in turn shall scrutinize and process the proposals. The discretion to accord write off approval will be delegated to ROCC from time to time.

4. The branches will be advised to ensure that writing off loans should not in any manner dilute the recovery mechanism and should not give any negative signals to regular and prompt borrowers.

Removal of accounts from AUCA:

a) *As a matter of policy, accounts parked in AUCA will be reviewed from time to time by the committee constituted for the purpose with General Manager-III (Credit) as the chair person and AGM (Credit & RRM), CM (Credit & RRM)) and concerned RM as members. The committee will watch the progress of recovery in such accounts and desirability of further continuation of an account in the AUCA.*

b) *As per the approved policy, removal of entry from AUCA may be considered after 2 years of parking the amount on the recommendation of review committee where no future recovery is possible, no security of any sort is available and borrower/guarantor are not traceable and continuation of AUCA accounts is not going to serve the purpose, such accounts may be reversed with the approval of board.*

- c) *When AUCA accounts are considered under compromise proposals and partial amount is received by way of compromise, the residual amount in AUCA may be removed.*
- d) *In respect of AUCA accounts, in which details of individual accounts are not traceable and a consolidated amount is held in AUCA, at the time of migration to CBS, the amount may be reversed after fully satisfying with the staff accountability aspect.*
- i) *The branch should have sent notices to borrower and guarantor demanding the repayment atleast twice during the preceding two year period.*
- ii) *The branch should confirm that all possible steps to recover the loan have been taken and no further prospects of recovering the debt and writing off is in the larger interest of the bank.*
- iii) *The branch should confirm that no staff lapses were observed leading the account to writing off.*
- iv) *The details of loan have been uploaded in CIBIL.*
- v) *The branch has to submit the recommendations.*
- vi) *On receipt of the recommendations from the branches, the ROCC has to examine the details case by case and put up their recommendations to review committee who in turn will put up their recommendations to HOCC-II.*
- vii) *Upon the approval of HOCC-II, the same would be advised to the branches through Regional Office for passing necessary proforma entries at their end.*
- viii) *The branch has to pass proforma entries in AUCA register by mentioning as "By removal from AUCA" as under and note the details in a separate register for future record.*
- ix) *Partial removal may be permitted in case of compromise settlement has been approved by the bank, accepted by the borrower and repayment was made as per agreed terms.*
- x) *The residual amount to the extent of balance in AUCA over and above the amount of compromise settlement has to be removed from AUCA.*

PREVENTIVE MEASURES

1. Conducting thorough and proper pre-sanction survey
2. Gathering Opinion reports
3. Ascertaining existing income (verifiable income from all sources) and assessment of projected income
4. Independent valuation of property offered as collateral security and ascertaining the actual possession by the applicant
5. Adherence to the KYC norms
6. Bank statement for 6-12 months to ascertain actual salary & other obligations
7. Detailed pre-sanction report in loan application
8. Furnishing full details in loan application (filling up all columns)
9. Proper and correct documentation/ensuring data purification in CBS
10. Advising all terms and conditions before disbursement and ensuring their compliance
11. Timely and adequate finance
12. Fixing realistic repayment schedule keeping the cash flows in view
13. Obtaining Post Dated Cheques (PDC)/ECS mandates for all non-farm sector loans/Standing Instructions and ensuring to lodge the PDC/executing the Standing Instructions
14. Ensuring proper end use of funds
15. Regular inspection/monitoring/post facto follow up
16. Recording the details of visits/unit inspection in Inspection Register
17. Collecting and feeding the Mobile/Phone numbers in CBS (computer) and contacting the borrowers over phone regularly
18. Timely mitigation and relief arrangements to the affected borrowers
19. Serving notices on ongoing basis wherever required
20. Participating in village meets, SHG meetings and other social activities
21. Maintaining good rapport with village elders and opinion leaders
22. Good rapport with government agencies
23. Avoiding crowded coverage of units and indiscriminate lending
24. Utilising the services of Business Facilitators/Recovery agents

25. Scrutiny of CIBIL report of the prospective borrower.
26. Involving VVV Clubs, Good SHGs, Village elders in recovery
27. Prompt Seizure/Attachments and disposal where warranted
28. Submission of defaulters list to government agencies, IKP, LDM etc.,
29. Case by case study and analysis in respect of overdue accounts
30. Identification of potential NPAs
31. Team approach among branch staff
32. Covering all eligible cases under CGTMSE
33. Ensuring timely obtention of RLs/Renewal of limits
34. Replacement of loans wherever necessary with due approval.
35. Viability studies to be conducted in respect of stressed assets for up gradation.
36. Viable units to be rehabilitated within the time frame.

CAUSES OF NPAs

(Annexure-II)

The factors responsible for creation of NPAs can be categorised under three heads viz., External, Internal and Bank related.

External Reasons:

- i) Calamities – Natural & Personal
- ii) Political - Interference in recovery process & Statements
- iii) Failure of activity
- iv) Geographical factors
- v) Recession in the economy
- vi) Price rise

Internal Reasons:

- i) Misutilisation of loan
- ii) Diversion of funds
- iii) Lack of managerial/technical skills
- iv) Poor maintenance of unit
- v) Personal accident/death
- vi) Shifting of unit
- vii) Labour problem
- viii) Marketing problem
- ix) Willful default

Bank related Reasons:

- i) Improper identification of borrower
- ii) Inadequate appraisal
- iii) Delay in loan sanction
- iv) Not reviewing/renewing the cash credit accounts within the stipulated period.
- v) Under/Over financing
- vi) Fixation of insufficient gestation/Repayment period
- vii) Lack of post disbursement follow up
- viii) Lack of borrower contact
- ix) Lack of recovery effort
- x) Lack of commitment in staff
- xi) Lack of information to borrower on due date, amount of repayment
- xii) Not adhering to the terms of sanction.

ANDHRA PRADESH GRAMEENA VIKAS BANK

REGION:

BRANCH:

PROBLEM LOAN (NPA & PNPA ACCOUNTS) REVIEW REPORT FOR RS.10.00 LAKHS AND ABOVE

(This Review Report should be filled up after carrying out the tasks relevant to the review listed in Annexure as applicable. Copy of sanction letter to be enclosed along with this format)

1. Details of Loan:

- a) Name of the Borrower:
- b) Account Number:
- c) Purpose of the loan:
- d) Date of sanction/Last renewal:
- e) Limit sanctioned: Rs.
- f) Drawing Power: Rs.
- g) Outstanding as on Rs.
- h) Overdue by Rs.

2. Borrower's Profile/History:

- 3. a) Date of NPA/PNPA:
- b) IRAC Status: PNPA/SA/SSA/DA-1/DA-2/DA-3/LA
- c) Provision held as on last March:
 - i) Provision on Secured Portion Rs.
 - ii) Provision on unsecured Portion Rs.

TOTAL PROVISION (I +II) Rs.

- d) Specify the adverse features observed in the running of the unit/conduct of the account:

- 4. Other Loans if any, with us. If so, specify the details with asset category

5. Details of action initiated for recovery:

- a) Date of approval given by the competent authority for filing suit in civil court/DRT:
- b) Date of filing of suit:

- c) Suit amount:
- d) Present status:
- e) If decreed, specify whether it is preliminary/final/mortgage:
- f) Details of decree in brief:
- g) Date of filing Execution Petition (EP):
- h) If action initiated under SARFAESI
 - i) Date of issuing Demand Notice:
 - ii) Amount recalled: Rs.
 - iii) Response from the Borrower/Guarantor:
 - iv) Date of Possession Notice:
 - v) Response if any, from the Borrower/Guarantor:
 - vi) Date of taking over physical Possession:
 - vii) Date Sale proposed:

6. Details of Security available:

(Rs. in Lacs)

	Description	Estimated realizable value	Date of valuation/review of the property
Primary:			
Collateral:			
Agriculture			
Non-agriculture			

Date of valuation:

Present Value of the Security: Rs.

Name and address of the valuer:

Date of last inspection of the unit by the Branch Manager:

Value of the property as per Branch Manager:

Rs.

7. Reasons for the account becoming PNPA/NPA account:

8. Comment on Staff accountability, if any:

9. Current status of the security documents held on the account and the charges created in Bank's favour

(Comment whether documents are in order and enforceable

& Charge created on the mortgaged property i.e. Memo-

Random filed with SRO etc.,)

10. Date of last inspection and of meeting with the borrowers And/or guarantors to discuss the problems observed:

11. Summary of observations/discussions with Borrower:

12. Action taken/proposed, with time line:

13. If the proposed action plan is approved and implemented when is the account likely to be upgraded/or our dues realized: (Please mention time schedule, the expected results, to the extent possible)

14. Recommendations of the Branch:

Date:

Field Officer

Branch Manager

CHANGES MADE IN POLICY

S. No.	Existing Policy	Change proposed
1	Page.1 Para.2: Classification of potential NPAs as IRAC-1 & 2	As we have introduced new NPA module in CBS on the lines of SBI, IRAC codes for potential NPAs have been changed to IRAC- 1, 2 & 3
2	Page.3	Page.3 Para 4.2 Introduction of NPA Monitoring Register during the year for crystallisation of NPAs
3	Page.3 Para 4.3 b Details of KCC accounts appearing as NPAs on account of not granting holiday	Page.3 Para 4.3 b replaced with details of Quick Mortality are being advised at fortnightly intervals. Since, we have introduced new NPA module, granting of holiday is taken care by the CBS.
4	Page.4 Para 4.8	Incorporated Item (ix): VO wise list (as per Annexure-IV) have to be compiled to have entire information of all SHGs at one place and to update the same once in a month
5	Page.5 Para 4.8 b	<ul style="list-style-type: none"> a) Incorporated item iv Filing of suits praying for attachment of properties duly ascertaining the assets possessed by the borrower and guarantor b) Incorporated item xii Furnishing lists of defaulters under Govt. sponsored schemes to respective agencies c) Incorporated item xiii Filing of cheating cases against borrowers wherever misutilisation of funds has taken place
6	Page.6 Para 4.9 Master Circulars	Replaced with latest circular as item No.4.10
7	Page.6 Para 4.10 Hand book "Kara Deepika" deleted	Para 4.20 incorporated
8	Page.7 Para 5.1 & 5.2 Discretion for according approval to transfer to Recalled debts, Filing of suits and write off	Revised instructions incorporated
9	Preventive measures	Point No.25 included

Name of the VO: Name of the RO: Village:
Date of Establishment of VO:

Name of VO Leader No.1: Mobile No of VO Leader: All members of the group (A):
Name of VO Leader No.2: Mobile No of VO Leader: SB a/cs Opened in respect of the members :Out of (A) :
SB a/cs not opened in respect of the members :Out of (A):

Name of the Book Keeper/CA Mobile No of Book Keeper/CA :

Total Thrift Amount of VO: Total Loan Amount of VO:

SL.NO	Name of the SHG	No members	Loan A/c no.	Date of Sanction of Loan	Loan amount Sanctioned	O/s as on Date Rs. *	Irregularity if any Rs. *	Thrift Rs.	SB A/c No.	Balnce in SB a/c Rs. *	IRAC Status *	Date of NPA *	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
TOTAL													

Total number of group members at column (3) should agree with (A) of the above (All members of the group)

- The data must be updated at monthly intervals. * The columns at No:7 (O/S as on date), column No :11(Balance in SB a/c)and column No : 12 (IRAC status) & Column No. 13 Date of NPA are to be filled in by the branch after verifying the loan account and S.B A/c of individual SHG
- Check the mobile numbers of VO leaders and Book keeper and interact with them once/twice in a month regarding conduct of Accounts
- Open SB A/c's for all members of SHGs and inculcate saving habit
- Examine thrift and loan amount, If thrift is not in proportionate to loan, advise the group that the loan amount has to be repaid which is over and above the permissible limit
- Ensure maintaining thrift account in SB account to avoid keeping amount in chit funds and other sham, fictitious and fraud companies.
- If any account slips to IRAC -2 and above, verify the SB A/c of relative group and transfer the amount, if available ,to the extent of irregularity from SB A/c to loan account
- If the outstanding is much less than the limit disbursed, pursue the group to withdraw the gap amount.
- If the date of sanction is older than one year, it indicates that the Account was not renewed at yearly intervals. Therefore it has to be renewed immediately so that the amount will be reckoned as disbursement made during the year. Processing charges should be levied every year irrespective of renewal to avoid income leakage.
- If the account is in NPA for long time ie IRAC-5 and above crystallise the position and recommend for suitable action