

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-5
(FR SECTION)

Ref.No. RFC/23FR/HO/Policy-48/2007-1/3867

Dated: 21.04.2008

CIRCULAR (FR No.511)

Sub: Writing off/writing back the amount in hard pressed cases during the financial year 2007-08

The Corporation has been considering cases for writing off the amount as bad debt on merits of each case, depending upon the availability of revenue surplus where it has been found that recovery of the amount is difficult and account is classified as "Loss Category" at the close of the financial year.

During the process of recovery, it was observed that there are certain hard pressed deficit cases where recovery is difficult to be effected despite having introduced settlement scheme and invoking provisions of SFCs Act, 1951.

The matter was therefore placed before the Board through circulation on 5.4.08. In accordance with the decision taken by the Board of Directors, it has been decided that in the following category of deficit cases, 100% amount may be considered to be written off/written back:

1. Where promoters expired and no property/legal heirs are available;
2. Where promoters expired and legal heirs fall in BPL category;
3. Where promoters expired and guarantors are alive but not having significant net worth.

It is, therefore, enjoined upon all Branch Managers that they should scrutinize each and every case by according priority amongst the identified cases to the following criteria and send the proposals to HO in prescribed format, as appended herewith, with full justification and clear cut recommendations supported with all required information/documents so that the cases may be further processed:

i) Deficit Cases:

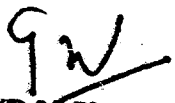
- a) Where promoters expired and no property/legal heirs are available;
- b) Where promoters expired and legal heirs fall in BPL category;
- c) Where promoters expired and guarantors are alive but not having significant net worth.

- ii) DIC cases - Promoters/assets not available.
- iii) Loans to SC/ST promoters - Promoters/assets not available.
- iv) Cases involving low volume of lending - Promoters/assets not available.
- v) Units in possession where MRV is less than 25% of principal sum outstanding.
- vi) Units in possession auctioned for more than 25 times and are in possession exceeding three years.

Since the effect of write off is to be given in the accounts for the year 2007-08, the branches are advised to pay utmost priority in the matter and send the proposals to DGM (FR-DDW) latest by 30.4.08.

It is made clear that in all the cases where the amount is proposed to be written off/written back recovery efforts should continue and in any case no dues certificate be not issued.

All concerned are advised to take a note of above and act accordingly.


(B.N. Sharma)

Chairman & Managing Director

Encl: As above

Copy to:

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

RAJASTHAN FINANCIAL CORPORATION

**Proposal for write off of amount classified as
Loss Assets as on 31.3.07**

Name of Branch :

PART-I : BASIC DATA

1.	Name & address of the unit		
2.	Account code No.		
3.	Scheme code No.		
4.	Details of financial assistance:		
	a) Loan sanctioned with date	Rs.	Dt.
	b) Purpose of loan:	Sanctioned (Rs.)	Disbursed (Rs.)
	- Land		
	- Building		
	- Plant & Machinery		
	TOTAL		
	c) Line of product		
	d) Date of first & last disbursement		
5.	Outstanding as on 31.3.08:		
	b) Line of product		
	- Principal		
	- Interest		
	- Other money		
	TOTAL		
6.	Details of total repayment made by the party since beginning		

PART-II : CATEGORY OF LOSS ASSETS (Tick the relevant box) **With complete facts/details**

i)	Deficit cases –	
	a) Where promoters expired and no property/ legal heirs available;	
	b) Where promoters expired and legal heirs fall in BPL category available;	
	c) Where promoters expired and guarantors are alive but not having significant net worth;	
ii)	DIC cases – Promoters/assets not available.	
iii)	Loans to SC/ST - Promoters/assets not available	
iv)	Cases involving low volume of lending – Promoters/assets not available	
v)	Units in possession where MRV is less than 25% of principal sum outstanding.	
vi)	Units in possession auctioned for more than 25 times and in possession exceeding three years.	

PART-III

1.	Date of possession		
2.	Amount outstanding as on date of possession:		
	- Principal		Rs.
	- Interest (Upto date of possession)		Rs.
	- Other money		Rs.
	TOTAL		Rs.
3.	Amount of penal interest		
4.	Other money/charge debited after take over		
5.	Total outstanding as on date of sale with date		
6.	Sale consideration & date of agreement to sale		Dt.
7.	Amount of deficit: Not due principal		Dt.
	Principal		Rs.
	Interest		Rs.
	Other Money		Rs.
	Total		Rs.
8.	Action taken by BO for recovery of deficit; if no, mention reasons		
9.	Details of personal guarantee / collateral security alongwith status of guarantee / collateral security and value / Net worth		
10.	Whether decree awarded by Court? If yes, Date of decree & amount of decree		Date of decree Amount of decree
11.	Whether decree can be executed		
12.	Whether whereabouts of promoter & assets are known/not known		
13.	Whether any action taken for restoring missing Assets? If yes, given details		
14.	Reasons for not taking action		
15.	Whether collateral security available, if yes, give details with comments about its marketability and its MRV.		
16.	Whether personal guarantee of promoters/friend/partner taken? If yes, whether the same are located and possibility of recovery from guarantee along with the net wroth of the guarantor.		
17.	Efforts made for recovery during last 3 years		
18.	MRV of fixed assets with date of calculation:		Amount (Rs) Date
	- Land		
	- Building		
	- Plant & Machinery		
	TOTAL		
19.	Details of offers received for disposal:		
	S.No.	Date of auction	Amount of highest offer received Decision
20.	Reasons of non-disposal		

PART-IV : Comments and recommendations of Dy.GM / BM/ DM (Br.)

Signature of Branch Manager

Certificate

Despite best efforts it has not been possible to recover the dues classified as 'Loss Assets' and, therefore, the case is recommended for write off. However, efforts for recovery of the amount will continue.

Dated:

Signature of Branch Manager