RAJASTHAN FINANCIAL CORPORATION

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

Ref.No. RFC/23FR/HO/DDW/Policy-1/ 146 Dated: 17.04.2009
20.

CIRCULAR
(No.560)

Sub: Writing off/writing back the amount in hard pressed cases during the financial year 2008-09

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.

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 2008-09, the branches are advised to pay utmost priority in the matter and send the proposals to DGM (FR-DDW) latest **by 30.4.09.**

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 will not be issued.

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

(A.K. Garg)
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 31.3.08

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 31.3.09:		
	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	Rs.	
4.	Other money/charge debited after take over	Rs.	
5.	Total outstanding as on date of sale with date	Rs.	Dt.
6.	Sale consideration & date of agreement to sale	Rs.	Dt.
7.	Amount of deficit: Not due principal	Rs.	
	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		
3.	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 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