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RAJASTHAN FINANCIAL CORPORATION
(FR Section)

Udyog Bhawan,
Tilak Marg, JAIPUR

Ref.No. RFC/23FR/HO/Policy/98/ 924

Dated 01.11.11
03

CIRCULAR
(FR - 671)

Sub : Reports & returns from assisted units and their analysis

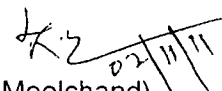
In the loan agreements executed between the loanee concerns and the Corporation a condition is stipulated that the loanee unit shall have its accounts audited in the manner prescribed in the Indian Companies Act, 1956 and shall submit the audited accounts to the Corporation within six months from the date of closing of each financial year. This condition further provides that in case the borrower fails to comply with this provision, the Corporation shall have right to get accounts audited at the expenses of loanee unit.

Similarly, instructions also exist that certain reports & returns shall be called from the assisted units on regular basis (para 1.19 of Chapter FR-1 of PG).

It has been observed that above condition as well as instructions contained in P&G are not being complied with. It has also been observed that in case if audited accounts and other returns are submitted by the loanee concerns, the same are not being analyzed properly.

The SIDBI, in its Performance Evaluation Report of the Corporation, has observed that Corporation may introduce a system of obtaining reports and analyze the same to evaluate the performance as well as health of the units.

It is, therefore, reiterated that all concerned may ensure strict compliance of the aforesaid condition as contained in the loan agreement and also provisions of P&G,


(Moolchand)
General Manager (Dev.)

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