

Bad-Debt & Chronic Default Recovery

Agri-Inputs & Farm Supply

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This guide explains what the tool produces, how to use the output, and what to watch for. The actual output (draft/report) is generated on the tool page.

Background

Produces a recovery plan for chronic/defaulted farmer dues — segmentation, negotiation and settlement, lawful escalation (notice, cheque-bounce, small-cause), and write-off decisions. Use it for stuck receivables. For routine harvest collection use the Harvest Collection Strategy.

Purpose of this tool & output

Recover from chronic defaulters lawfully

How the output is used

Use it to move on chronic defaulters lawfully — a graded demand-letter and notice sequence, ending in a formal legal-notice draft, that keeps you on the right side of the law.

Who receives it

The demand letter or legal notice is addressed to the defaulting farmer (and any guarantor), with a copy retained on file; a final legal notice is usually sent through an advocate.

How to submit / file it

Send the demand letter by hand with acknowledgement or by registered post/courier; escalate to a lawyer-issued legal notice, and only then to a recovery suit or Lok Adalat if the amount justifies it.

Who should vet it

A local advocate, to settle the final legal-notice wording and confirm the limitation period and the right forum before you escalate.

Important cautions

Pursue recovery only through lawful means — demand notices, cheque-bounce or civil action where documented — never coercion or unlawful pressure, which is itself an offence. Settle genuine hardship, escalate willful default legally, and write off truly dead debts. Consult a lawyer for legal steps.

Companion documents

- Farmer Credit Policy Designer
- Farmer Creditworthiness Assessment
- Harvest Collection Strategy
- Credit Risk Management Plan
- Farmer Ledger & Receivables Tracker

This is AI-assisted guidance. Verify with a qualified professional before any binding decision. Fees, authorities and processes vary by state and change over time — confirm with your state authority.