

RAJASTHAN FINANCIAL CORPORATION
(F&R SECTION)

Udyog Bhawan, Tilak Marg,
JAIPUR.

Ref.No. RFC/HO/FR-SLC/2515

Dated: 16-12-2006

CIRCULAR

(FR NO-419)

Reg: Default in payment in cases settled by HOLC & SLC.

You are aware that the Corporation has been settling the NPA cases through the mechanism of Empowered Settlement Committees i.e. HOLC & SLC at HO level, with a view to get rid of the sticky and NPA accounts on the one hand and to effect recovery in the particular financial year on the other hand. Needless to say that the Corporation is also sacrificing a lot of amount at the time of settlement of such cases only because of the fact that the RFC should get the settled amount well in time so that the same may be redeployed for gainful purposes but if the amount is not recovered in time then the very purpose of settlement/sacrifices is defeated.

On a review of OTS cases shows that in many cases the units are not making payments of settlement amount strictly in accordance with the schedule given by the respective settlement committee. In some instances default is of significant value.

In order to curb the tendency of the defaulting promoters who agreed to the settlement but have defaulted in payments, it is enjoined upon all Branches to issue a 15 days notice to defaulters asking them to deposit the balance recoverable amount and it should be mentioned by the branches that settlement would stand cancelled and possession of assets /legal action would be taken if the balance amount is not deposited in time. Branch Offices should immediately send the proposal to FR Section in HO to call off settlement and should take action to take over the possession of available assets wherever assets are available and in case assets are not available, action under section 32(G) of SFCs Act should be initiated. Any laxity will be viewed seriously.


(B.N. SHARMA)

CHAIRMAN & MANAGING DIRECTOR

Copy to:

1. All ROs/BOs/Sub Offices
2. DGM (A&I), WZ, Ajmer.
3. Standard Circulation at HO.