

RAJASTHAN FINANCIAL CORPORATION
(FR SECTION)

Ref.No.RFC/23FR/HO/Policy-8/ 2 606

Dated 8.10.2007
II

CIRCULAR
(FR No. 477)

Sub: Scheme for settlement of Small loan cases having disbursed amount upto Rs.1.00 lac

Attention is invited to FR circular No. 449 dated 1.5.07 followed by FR circulars No. 462 dated 30.6.07 and 464 dated 1.8.07 regarding above.

During the course of meeting of Branch Managers held on 5.9.07 to 7.9.07, some of the Branch Managers stated that there are some cases which were settled in the yester years but loanee parties either did not deposit any amount or deposited only the part amount, therefore, left over amount is liable to be recovered alongwith interest for the delayed period but they are not in a position to pay even the principal sum. Owing to this position, the accounts are remaining unsettled.

The Branch Managers strengthened their view point on the premise that if all these cases are allowed to be registered under the present scheme, these may be settled on principal sum plus other money plus 5% recovery charges where case u/s 32(G) has been filed with the Collector irrespective of primary security / collateral security / third party guarantee / networth of promoters / guarantors.

The matter has been examined. It has been decided that the cases which were settled prior to 31.3.06 by Empowered settlement committees / competent authority with the consent of loanee but loanee either did not deposit any amount or deposited part amount shall be allowed to be registered afresh under the scheme, if these are otherwise eligible.

Accordingly, footnote appearing at point No.1 of the scheme under the heading "Eligibility" is substituted by the following:

Note:

"There is no bar for registration of cases earlier closed / rejected by Empowered Settlement Committee(s) / competent authority / deferred sale cases or the cases which were settled prior to 31.3.06 with the consent of loanee but loanee either did not deposit any amount or deposited part amount, if these are otherwise eligible. However, the cases which were settled on or after 31.3.06 by Empowered Settlement Committee(s) / competent authority with the consent of loanee shall not be registered afresh under the scheme."

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

(B.N. SHARMA)

CHAIRMAN & MANAGING DIRECTOR

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