

RAJASTHAN FINANCIAL CORPORATION
(FR SECTION)

Ref.No.RFC/23FR/HO/Policy-102/1650

Dated 02.01.2008
03

CIRCULAR
(FR No. 491)

Reg: Scheme for settlement of deficit / decreetal / written off cases

Attention is invited to FR circular No. 451 dated 1.5.07 whereby the Corporation has introduced a scheme for settlement of deficit / decreetal / written off cases for the financial year 2007-08.

References were received from the field offices times and again that the definition of decreetal amount as given in the FR circular No.406 dated 9.10.06 may be reviewed as the loanee parties in the cases where decree has been awarded by the competent court are not in a position to make the payment of requisite amount that has been arrived at in terms of referred FR circular No.406 dated 9.10.06, because of their poor financial position.

The matter was examined and placed before the Board in its meeting held on 28.12.07 for reviewing the definition of decreetal amount.

The Board has taken the following decisions:

- i) In the cases where loan disbursed amount is upto Rs.1.00 lac, the settlement (irrespective of any security available) can be considered on decreetal amount plus other money, if any without charging interest for the period from filing the suit in the competent court.
- ii) In the cases where loan disbursed amount is above Rs.1.00 lac, the settlement can be considered based upon the security available and its marketability. The value of security can be discounted to 75% and cases can be settled on decreetal amount that has been arrived at in terms of FR Circular No. 406 dated 09.10.2006 or upto the extent of 75% of security available whichever is less but no case is to be settled below the decreetal amount plus other money, if any without charging interest for the period from filing the suit in the competent court. However, in the cases where no security is available, settlement can be considered on decreetal amount plus other money, if any without charging interest for the period from filing the suit in the competent court.

Note:

In any case, settlement shall not be done below the principal and other money outstanding on the date of settlement.

iii) The Branch Manager may be authorized to settle the cases as per norms.

All concerned are advised to take a note of decision taken by the Board as above and act accordingly. They should make strenuous efforts and to ensure that each and every eligible case is contacted and maximum number of cases are settled.

(B.N. SHARMA)
CHAIRMAN & MANAGING DIRECTOR

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