

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg,
Jaipur
(FR SECTION)

Ref.No.RFC/23FR/HO/Policy-96/404

Dated: 26.07.2011

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CIRCULAR
(FR-663)

Reg: Presentation of Post Dated Cheques (PDCs)

Instructions already exist (circular no. FR-554/09.03.2009, FR-670/09.06.2010 and FR-655/18.03.2011) that PDCs should be presented strictly on due dates and, adopting a pro-active approach, borrowers should be informed a week before the due date to ensure that amounts of PDCs do credited on due dates.

It is pertinent to mention here that in case of 'good borrowers' who have been regular throughout in repayments, relaxation could be allowed for a maximum period of 60 days by the Branch Manager if request for such time is made by such 'good borrowers' (reference letter no. 23FR/HO/Policy-96/506 dated 23.07.2010).

It has been observed that sometimes some borrowers, other than 'good borrowers', do face genuine difficulties in getting cleared the PDCs on due dates. They do approach the Branch Office before the due date of the PDC with the request to lodge the PDC after some days of its due date. In view of circulars no. FR-554/09.03.2009, FR-670/09.06.2010 and FR-655/18.03.2011, the branches are not in a position to accept their request resulting in the PDC being dishonored by the banks and consequential debiting of Rs. 500/- as penalty as well as initiation of legal action under the Negotiable Instruments Act.

The issue has been examined and it is felt that, with a view to address the genuine difficulties of borrowers, and with a view to maintain good relations with customers, henceforth, if a borrower request, in writing, before the due date of the post-dated cheque, to the Branch Manager seeking deferment of lodging the cheque, then the Branch Manager may consider the request subject to the following stipulations:

- 1) The date of the cheque may be deferred for a maximum period of 30 days.
- 2) The borrower will have to submit another cheque of the amount equivalent to the amount of earlier cheque being replaced plus interest and penal interest for the delayed period.

- 3) Maximum two post-dated cheques will be allowed to be so deferred in a financial year for each borrower account.
- 4) In case the party fails to honor the fresh post-dated cheque then the Branch Manager would follow the course of action required of him as per existing instructions, i.e., legal action, filing of complaint under the provisions of Section 138(b) of the Negotiable Instruments Act.
- 5) That such accommodation will be considered only in genuine cases and only on receipt of request in writing from the borrower.

The Branch Managers are advised to extend this facility sparingly^e and only in the cases in which they are satisfied with the repayment behaviour of the party and when they find that the reasons of delay are genuine.

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


(Pradeep Sen)
Chairman & Managing Director

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