

P&G/RFC/ 1452

RAJASTHAN FINANCIAL CORPORATION
(Credit Policy & Monitoring Division)

Udyog Bhawan
Tilak Marg
Jaipur-302 005

Ref. RFC/GBD/GEN-25/ 203

Date: 15.10.2013

C I R C U L A R

(LA No.: 614)


Reg.: **Value of collateral security for loan admissibility
under Good Borrowers Schemes.**

In the PC&CC meeting held on 12.06.2013 it was decided that the Law Section may examine the issue i.e. considering value of collateral security for the purpose of loan admissibility in Good Borrower Schemes, keeping in view the enforcement of security on eventuality of default.

The matter has been examined in detail by Law Section and it was found that the collateral security is not enforceable for immediate recovery u/s 29 of SFCs Act in case of default as per order of Hon'ble Apex Court of India. Therefore, it has been decided that the value of collateral security will not be considered for the purpose of loan admissibility in different schemes of Good Borrowers. However, financial assistance may be considered to the extent of MRV of land and building of primary security keeping in view other eligibility criteria of the scheme.

Necessary amendments may be incorporated at appropriate place.

All concerned are advised to take a note of above and ensure compliance with immediate effect.


(Yaduvendra Mathur) 15/10/13
Chairman & Managing Director

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