

**RAJASTHAN FINANCIAL CORPORATION
UYDOG BHAWAN, TILAK MARG,
JAIPUR – 302 005
(FR SECTION)**

Ref.No.RFC/23FR/HO/Policy-9-C/ 1278

Dated : 07.03.2011

**CIRCULAR
(FR- 653)**

**Reg : Initiation of legal action u/s 30 and taking over of
possession u/s 29 against the defaulters**

Instructions already exist in Recovery Strategy – 2010-11 (FR-608 dated 17./20.05.2010) that in case of default of more than two consecutive instalments of principal or interest, immediate legal action u/s 30 followed by action u/s 29 is incumbent. During review it is observed that the BOs are not adhering to these instructions which can prompt new defaults causing slippages thus adversely affecting the NPA position.

2. All the Branch Managers are, therefore, directed to closely monitor, account of new default particularly where the default exceeds Rs. 10.00 lakh, and ensure to get the overdues cleared latest by 25.03.2011 failing which legal notice u/s 30 be issued in this month, to be followed by action u/s 29 in April, 2011 on the expiry of notice period.

(UMESH KUMAR)

CHAIRMAN & MANAGING DIRECTOR

Copy to.

1. All BOs / SOs
2. DGM(A&I). (WZ), Ajmer / Jodhpur.
3. Standard circulation at HO.