

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg

Jaipur -302 005

Ref: RFC/23FR/HO/Policy/28/3048

27th January, 2005

CIRCULAR

(FR No 328)

Reg: Monitoring of commercial complex cases: Action U/S 138(b) of NIA

The PC & CC, in its meeting dated 24th December, 2004, expressed concern about the default committed by loanee parties in repayment in commercial complex cases and cases financed under "Good Borrower Scheme" where the Corporation collects post-dated cheques at the time of disbursement and the defaults remain unnoticed. Since the very purpose of collecting post-dated cheques gets defeated if it bounces, any laxity in taking action under section 138(b) of NIA amounts to encouraging default.

It has, therefore, been decided that -

- (1) wherever cheque is dishonoured by the banker of the concern, immediate action under section 138(b) of NIA be initiated; and
- (2) the officer responsible in the matter with concerned employees and Branch Manager shall be made personally responsible for not initiating required action.

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


(Rekha Gupta)
Chief General Manager(Dev.)

cc.to:

- (1) All ROs/BOs/Sub-Offices
- (2) DGM(A&I), WZ, Ajmer
- (3) Standard circulation in Head Office.