

43

RAJASTHAN FINANCIAL CORPORATION
(FR SECTION)

Ref.No.RFC/23FR/HO/Policy-9/ 1175

Dated : 16th August, 2005

CIRCULAR
(FR- 359)

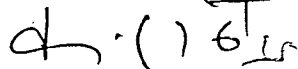
**Reg : Issue of legal notice under Section 30
for taking possession under Section 29
of the SFCs Act and its withdrawal**

The policy with regard to issuance of legal notice for taking possession under Section 29 was deliberated in detail in the RRM held on 08/08/2005. The Guidelines with regard to the acceptance of minimum sum for withdrawal of legal notice are although available at para 4.12 B of Chapter FR-4 of PG but strict compliance of these are lacking. To make the policy more effective, following guidelines are prescribed further.

- i) Action of issuing legal notice under Section 30 should result into either withdrawal in terms of the policy available at para 4.12 B of Chapter FR-4 PG or possession under Section 29 of the SFCs Act.
- ii) Legal notice should be given in the cases where assets have good marketability. The Corporation accordingly, should take possession of the units where the value of assets is equal to outstanding or at least 2/3 of amount outstanding.

- iii) Legal notices which are being withdrawn by the Corporation as part of its policy at the end of the fiscal year should be reviewed for reissue in first month of the next financial year.

All concerned are advised to ensure compliance of the above strictly.



(KARNI SINGH RATHORE)
CHAIRMAN & MANAGING DIRECTOR

Copy to :

1. All ROs/Bos/Sub-Offices
2. DGM(A&I), Western Zone
3. Standard Circulation at HO