

RAJASTHAN FINANCIAL CORPORATION
(Assets Reconstruction & Rehabilitation Cell)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/AARC/23/HO/GEN-77/30

Dated : 10.4.2002

CIRCULAR
(ARRC No. 44)

Reg : Settlement cases.

It has been observed that the settlement cases are being forwarded to ARRC which are actually being processed in FR section. The settlement cases of units under possession and cases of deficit accounts only are being dealt with by ARRC and only such cases should be sent to ARRC in future.

While forwarding cases of possessed units, information regarding datewise offers received so far for specified assets should also be mentioned in the proposal. Similarly, in the balance outstanding amount column and the amount payable by various alternatives, the possession period interest at simple documented rate should also be shown separately.

In deficit cases, the following informations should invariably be forwarded alongwith the proposal:

- i) Date of possession and amount outstanding (principal, interest and other money separately) as on date of possession.
- ii) Date of sale and amount outstanding as on date of sale.
- iii) Amount of sale consideration.
- iv) Deficit as on date of sale after appropriation of sale consideration.
- v) Position of Court cases, if any.

The figures should be reconciled properly in the proposal. If there is variation, reasons thereof should be recorded clearly.

The above informations may be sent quickly, if not sent earlier in all pending proposals of possessed units and deficit cases to ARRC, HO.

All concerned are advised to note for compliance.

Sd/-
Dy. General Manager (ARRC)

RAJASTHAN FINANCIAL CORPORATION
(Assets Reconstruction & Rehabilitation Cell)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/AARC/23/HO/GEN-77/31

Dated : 10.4.2002

CIRCULAR
(ARRC No. 45)

Reg : Sale of assets.

In accordance with ARRC circular no. 30 and 29.10.2001, the RO level sale committee is having full powers to approve the sale in loan cases upto Rs. 20.00 lakh and the matter regarding subsequent offer not found acceptable,; the BO level Sale Committee were required to refer the proposal to RO level Sale Committee for final decision. However, in cases where loan amount exceeds Rs. 20.00 lakh and upto Rs. 100.00 lakh of the powers of RO level Sale Committee, if the subsequent offer received is not found acceptable, ;the offer was to be referred to HO with comments and observations of RO level Sale Committee together with chances of receiving better offer in future.

It has been observed that even the proposals in the loan cases upto Rs. 20.00 lakh are being referred to HO whereas RO level Sale Committee is to take a final view in such cases. Though the cases where loan amount exceeds Rs. 20.00 lakh are being referred to HO but neither the basic informations nor the comments and observations of RO level Sale Committee including the chances for receiving better offer in future is being sent as a result of which it becomes difficult to take a view in the matter.

A proforma has, therefore, been devised which is enclosed herewith. If the subsequent offer received is not found acceptable in the cases where loan amount exceeds Rs. 20.00 lakh, the said proposal should be referred to HO together with the comments in the enclosed proforma with specific comments and observations of RO level Sale Committee mentioning clearly the chances for receiving better offer in future.

All concerned are advised to make a note of it for compliance.

Sd/-
Dy. General Manager (ARRC)

Encl : as above.

RAJASTHAN FINANCIAL CORPORATION
(Assets Reconstruction & Rehabilitation Cell)

Udyog Bhawan,
Tilak Marg,

No. RFC/AARC/Website/Gen./2002-03/231

Dated : 15.5.2002

CIRCULAR
(ARRC No. 46)

Reg : Information for website of RFC.

As you are well aware that comparatively bigger units under possession having loan amount of Rs. 25.00 lac and above are presently available on web site of the Corporation. It has now been decided to put on website the units under possession where the sanctioned amount of loan is Rs. 15.00 lacs and above and keep on updating the same from time to time.

It is in the above context that up-dated list of units under possession having loan of Rs. 15.00 lacs and above available for sale is urgently required so as to put them on web site of the Corporation. This list should reach within 3 days positively.

It is also necessary to up-date web site from time to time and hence as and when such units are disposed off (as soon as possession is handed over to the purchaser), the said information is sent quickly for deletion from the web site. Similarly, soon after the unit is taken over under possession having loan amount of Rs. 15.00 lacs and above, the information in the enclosed format be sent within 3 days of taking over for addition in the web site. These updating information be sent in the envelope subscribing "information for web site" from time to time.

All Branch Managers are advised to make note of above for timely compliance.

DY. GENERAL MANAGER (ARRC)

1.

RAJASTHAN FINANCIAL CORPORATION

Branch Office :

Product	Land in sq. mtr.	Building const. in sq.ft.	Plant & machinery (Brief details)	Date of possession	Market Reliable Value			
					Land	Building	P&M	Total
2	3	4	5	6	7	8	9	10

RAJASTHAN FINANCIAL CORPORATION
(ARRC)
Udyog Bhawan, Tilak Marg,
JAIPUR-302 005

No. RFC/AARC/Gen.II/454

Dated : 8th/10 July, 2002

CIRCULAR
(ARRC No. 47)

Reg : Proper watch of assets under possession.

With a view to having close watch on the units under possession, guidelines were issued vide Circular No. ARRC-10 dated 20.9.2000 directing to entrust such units to the officers posted in the Branch Office for close watch and ensure safety of the assets impounded. It has been observed that in some of the Branch Offices, either units under possession have not been higher-to allotted to officers or officers concerned are not adhering-to the guidelines.

It is, once again, emphasized that :-

- i) Assets under possession of the Branch Office should immediately be entrusted to the officers posted in the B.O. for effective monitoring.
- ii) It would be onus of the officer concerned to keep the assets impounded intact and they need to visit such units from time to time and submit brief report to Branch Manager enabling him to protect the interest of the Corporation.
- iii) In the event of removal/theft of the assets, immediate action with regards to lodging of FIR has to be taken.
- iv) Officer concerned should ensure that encroachment on the land & building under possession of the Corporation does not take place. If so, required action need to be initiated without loss of time.

All concerned are advised to ensure strict compliance of the directions.

Sd/-
EXECUTIVE DIRECTOR

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/AARC/570

Dated : 26.7.2002

CIRCULAR
(ARRC No. 48)

The State Govt. vide its notification dated 12.4.2002 has notified that an industrial unit shall be entitled to claim the unavailed exemption from sale tax on the following conditions namely :

- Such units taken over into possession by RFC on or before 30.4.2000.
- Such units shall be entitled to avail unutilized benefit both in term of time and amount sanctioned to the original unit as mentioned in its original eligibility certificate.
- The benefit under this clause shall not be available on attaining the maximum eligible fixed capital amount or on expiry of the maximum time period available under the Eligibility Certificate, whichever is earlier.
- That the benefit under this clause shall be available even on change of the product mix and also in respect of new products.

A circular letter dated 3.5.2002 has already been issued to all the Branches for collecting details from the Commercial Tax Department. The details as per above letter might have been collected by the Branch Office. If the same has not been collected so far Branch Manager may depute an officer to collect the same and keep readily available with him. A copy of the same should be sent to HO ARRC.

Copy of the details as obtained from the Commercial Taxes Department should also be sent to ARRC Cell at HO for record. In the cases of HO level auction, list incorporating HO level auction may be sent immediately to HO ARRC Cell.

All concerned are advised to make a note of above.

Sd/-
(T. SRINIVASAN)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

Udyog Bhawan,
Tilak Marg,

No. RFC/AARC/23/HO/GEN-77/2002-03/568

Dated : 26.7.2002

CIRCULAR
(ARRC No. 50)

Reg : Sale of units under possession.

The State Government vide its order No. F.4(10)/FD/Tax/2002 dated 5/4/2002 has ordered that the sale proceeds of the units under possession of RFC and RIICO would be appropriated in the ratio of 70:30 between RFC/RIICO and State Govt. Departments viz. Electricity companies, Commercial Taxes Department, Transport Department, Land & Building Tax Department, State Excise, PHED, Industries etc. It has also been decided that if the dues of the State Govt. Departments as stated above is less than 30% then the balance of the same would be made available to the RFC/RIICO and in case the outstanding dues of the Corporation is less than 70% of the sale price then the difference of the same would be make available to the State Govt. Departments. The State Government has also decided that hence forth no recovery would be made from the purchaser of the unit under possession of the Corporation and the balance dues, if any, will be recovered from the original promoters as per the prevailing norms of the concerned department.

In case the assets of the possessed units are sold on cash down basis, then the 30% share of the State Govt. Department would be remitted within 30 days and in case of deferred payment sale, the share as received from the purchaser would be remitted on proportionate basis within 3 months and in case of non payment/delay, 12% interest shall be charged by the State Government.

The purchaser of the unit under possession from the Corporation will be entitled for all the facilities/registration from concerned Govt. Departments as per norms. The copy of order is enclosed for ready reference.

The Executive Committee (discharging function of the Board) having approved this arrangement it has been decided that henceforth the Corporation will not sell the unit with the condition that the purchaser will be liable for payment of dues of RSEB, PHED etc. However till clarification from the State Govt. the IPI dues of RIICO shall continue to be borne by the purchaser.

By virtue of the above changes, the revised terms & conditions of the sale of units taken into possession u/s 29 of SFCs Act would be as under :

1. Pending clarification from the State Govt. on sharing of the dues of RIICO in 30%, the auction notice by RFC would be issued with the condition that the IPI dues of RIICO would be borne by the purchaser.
2. The 30% share to be apportioned among other department would be kept by the financial institutions till it is apportioned and passed on to the department concerned.
3. The cut off date for deciding the period of 3 months after which the interest @ 12% is payable by the FIs on the amount of 30% (if not passed on to the concerned department) should be the date of receipt intimation of pending claims from the last department, however, the interest would not be payable if.
 - (a) there is any legal stay restraining the FIs to pass on the share to the department concerned or
 - (b) the concerned department has not provided the services/facility/consent expected from them to the purchaser of the unit.
4. As soon as the Assets of the defaulting units are taken into possession, the concerned BO is to write a letter to all the State Govt. Department as stated in the above order for providing the details of dues of

their departments giving 15 days time. A format of the letter to be issued by Branch Manager is also enclosed and marked as Annexure 'A'.

5. A register should maintained for the record of dues of all Departments and also details of payment made/to be made.
6. The revised format of intimating approval of sale as well as terms and conditions of the auction are enclosed and marked as Annexure B & C. The terms and conditions of the sale would also be changed suitably in the format of conveyance deed at Sub-clause (viii) of Clause No. 3 – at page No. 7 as under

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“That it shall be liability of the purchaser to clear the IPI dues of RIICO”

The necessary circular for the system of accounting would be issued by HO Accounts Section separately.

All concerned are advised to make necessary changes in PG wherever it has been quoted and also make a note of above.

Sd/-
(T. SRINIVASAN)
Chairman & Managing Director

Encl : As above.

Letter to be issued by Branch Manager

Ref. No.

Dated :

M/s.....
.....
.....

Sub : Fixed Assets of M/s.....taken in possession.

Dear Sir,

With reference to above it is to inform you that fixed assets of land and building and plant & machinery have been taken into possession on _____ in the presence of Notary Public and _____. The State Govt. vide order No. F 4(10)FD/Tax/2002 dated 5.4.2002 has decided to appropriate the sale proceeds of the above said concerned in the ratio 70:30 between the Corporation and State Govt. Departments.

Accordingly, you are advised to intimate in writing the dues of your department within 15 days from the issue of this letter as otherwise the Corporation will not include dues of your department for remittance purposes, which please note.

Thanking you,

Yours faithfully,

Branch Manager

RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/AARC/606

Dated : 1.8.2002

CIRCULAR
(ARRC No. 51)

Sub : Sale of units under possession.

Attention is invited to PG Circular No. 976 dated 26-07-2002. The copy of State Govt. order No. F4 (10)/FD/Tax/2002 dated 05-04-2002 is enclosed for ready reference.

All concerned are advised to make a note of above.

Sd/-
(Rameshwar Pareek)
Dy. General Manager (ARRC-I)

Encl : As above.

RAJASTHAN FINANCIAL CORPORATION
(Assets Reconstruction & Rehabilitation Cell)

RFC/PG/995

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/AARC/77/1/993

Dated : 10.1.2003

CIRCULAR
(ARRC No. 59)

Sub : Reconstitution of HO level Sale cum Negotiation Committee.

PG circular no. 938 dated 20.10.2001 was circulated containing guidelines and details regarding constitution of HO level Sale cum Negotiation Committee. GM (Loans) was one of the member of the Sale Committee. Since he has retired from the services of the Corporation, therefore, matter was placed before the Board of Directors in its meeting held on 2.1.03 so as to reconstitute the HO level State cum Negotiation Committee.

The Board of Directors has approved the proposal and nominated DGM (Loans) and DGM (Law) as additional members of the HO level Sale cum Negotiation Committee.

All concerned are advised to make a note of above.

(J.P. VIMAL)
Executive Director

**RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)**

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/AARC/HO/70:30/Policy/2744

Dated : 6.3.2003

CIRCULAR
(ARRC No. 61)

Sub : Sharing of sale proceeds in the ratio of 70:30 between RFC and State Government Deptt.

Attention is invited to the Circular No. PG-976/2002 (ARRC-50) dated 26.7.2002 stating that in accordance with the State Government order dated 5.4.2002, the sale proceeds received from the disposal of units under possession of RFC would be appropriated in the ratio 70:30 between RFC and State Government notified departments.

The State Government vide its order No. F.4(30)/Ind/1/94 dated 25.2.2003 has further clarified on some points so as to ensure proper implementation of the State Government order dated 5.4.2002, photocopy of the State Govt. Order dated 25.2.2003 is appended herewith.

All concerned are advised to make a note of above.

(J.P. Vimal)
Executive Director

Encl : As above.

RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/AARC/Gen-77/2002-03/2854

Dated : 19.3.2003

CIRCULAR
(ARRC No. 62)

Reg : Handing over possession of the assets to the original promoter(s).

Substantial number of units are under possession of the Corporation and the assets are not being disposed-off as per expectations for want of adequate offer. It is in the interest of both the Corporation and loanee concerned, if the assets are put to use by the original promoter(s). Keeping this factor in view, the matter was placed before the Board of Directors in its meeting held on 11.3.03 and it has been decided that :

- i) The unit(s) under possession, irrespective of health category of the account can be handed over back to the original promoter/borrower if he deposits 10% of the outstanding amount as on the date of possession plus simple interest for the possession period and other money.
- ii) The required amount has to be deposited by the promoter and a concrete proposal for repayment of the balance outstanding should also be obtained from the original promoter(s), by the Branch Manager before handing over the possession of the assets of the unit.
- iii) A declaration be obtained from the promoter/borrower of the unit that the will adhere-to the proposed repayment schedule strictly and in the event of default of 2 consecutive principal or interest or both the instalments, the Corporation may take re-possession of the assets of the unit without any further notice to him/them.

The above relaxation shall be available only upto 31st March, 2003.

All concerned are advised to make a note of above.

(T. Srinivasan)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/AARC/Gen-77/2002-03/2897

Dated : 24.3.2003

CIRCULAR
(ARRC No. 63)

Sub : Use of delegated powers regarding sale of units under possession(s).

You are aware that powers with regard to sale of units under possession were delegated to field offices vide PG circular No. 938 dated 20.10.2001. The BO level Sale cum Negotiation Committee (in loan cases upto Rs. 20.00 lakh) has been given full powers for disposal of assets, if the offer is equivalent to the disbursed amount of loan i.e. principal ;sum or equal to 75% of MRV.

It has been observed that in some of the branches, decisions regarding Sale of units are not being taken by BO level Sale cum Negotiation Committee itself in accordance with the sale powers delegated which shows that either Branch Manager concerned does not want to take decision at their own level or some of the Dy. General Manager (R) unnecessarily intervene in the decision process and they keep attending the BO level auction programme either as a member or a convener of the sale committee which is, of course, not desirable.

It is reiterated that powers delegated to Sale committee concerned regarding sale of units under possession may be exercised by the respective Sale Committee headed by Branch Manager/DGM (R).

It is also felt that despite keeping the units repeatedly to auction, the pace of disposal of units under possession has not been found upto the expectations and offers received for purchase of assets are rejected by BM/DGM (R) without recording the reasons. BMs and DGM (Rs) are advised that while rejecting the offer, cogent reasons with justification be recorded indicating prospect of better sale price within a month or so where next auction is to be held so as to ensure expeditious disposal of units under possession.

All concerned are advised to make a note of above.

(T. Srinivasan)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/AARC/Gen-77/2002-03/2145

Dated : 1.4.2003

CIRCULAR
(ARRC No. 64)

Sub : Vacation of godown being occupied by banker/other Government Department.

You may be having few units of which some portion has been occupied by banker/other Government Department(s). Even after taking over possession of the assets of the financed unit by the Corporation, the bankers/other Government Department(s) has not been vacating the godowns/part portion of the premises. With a view to expedite action for vacation by gthe banker/other Government Department(s), you are advised to take following action :

1. Branch Manager may identify the unit(s) which godown/rooms/part portion or the financed assets of RFC has been occupied by banker/other Government Department(s) and determine the rental of the occupied portion by the banker/other Government Department(s) keeping in view the local assessment/tariff by constituting a team of two officers of the Branch Office.
2. After assessing the rental likely to be paid by the banker/other government department(s), Branch Manager may issue letter(s) to banker/other Government Department(s) to pay rent for the occupied portion of the premises of the assisted unit of the Corporation from the date of taking over the assets by RFC to date.
3. It is also necessary to indicate the watch and ward cost in the letter to be sent to banker/other Government Department(s) on proportionate basis as the Corporation has been incurring expenditure for watch and ward of the assets.

Branch Managers are advised to identify such units, assess the rental value and send letter(s) to banker/other Government Departments) by 22nd April, 2003 positively and feed back in this regard may also be given to DGM (ARRC), HO by 26.4.03 in the format enclosed herewith.

All concerned are advised to make a note of above.

(J.P. Vimal)
Executive Director

RAJASTHAN FINANCIAL CORPORATION

Branch Office _____

Godowns/part portion occupied ;by the bankers/other Government departments which have been financed by RFC

Name & address of the unit	Details of finance extended by RFC to the unit	Whether unit is under possession, give details	Whether unit has been sold through auction (after taking over assets) give details	Details of part portion/godown occupied by the bankers/other Govt. Department		Name of the institutions which have occupied the portion
				Total constructed area of the unit	Measurement of godown/rooms/part portion occupied by the bankers/other govt. deptt.	
	3	4	5	6	7	8

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/ARRC/70:30/Policy/2003-04/168

Dated: 23/24.04.2003

CIRCULAR
(ARRC No. 66)

Reg : Apportionment of sale proceeds in the ratio of 70:30.

Guidelines for sharing of sale proceeds in the ratio of 70:30 between RFC and State Government Departments were issued vide circular No. PG-976 (ARRC 50) dated 26.7.2002 and PG circular No. 999 (ARRC-61) dated 6.3.2003. Some of the Branch Offices have sought clarifications regarding release of payment to DIC against DG set subsidy/IFL Recovery/Capital Investment Subsidy as well as clarifications on the issue whether sale proceeds are required to be apportioned where part sale has been made by the Corporation.

It is to clarify that payment against sale proceeds in the ratio of 70:30 should not be presently made to DIC against DG set subsidy/IFL Recovery/Capital Investment Subsidy as the matter has been referred by the Corporation to State Government for decision. As regards part sale is concerned, Branch Offices may release the amount in accordance with the State Government Orders dated 5.4.02 and dated 25.2.03 which guidelines have been issued by the Corporation vide PG circular No. 976 dated 26.7.2002 and PG circular No. 999 dated 6.3.2003.

All concerned are advised to make a note of above.

Sd/-
(J.P. Vimal)
Executive Director

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

RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

CIRCULAR
(ARRC No. 69)

Reg : Slow disposal of units and high rate of rejection of bid(s) being received in Special Sale campaigns.

Full powers have been delegated vide O&M circular No. 570 dated 10.1.02 and ARRC circular No. 58 dated 4.1.03 to the RO level Sale cum Negotiation Committee to dispose-off the cases falling in the ambit of Special Sale campaign. It was emphasized vide ARRC circular No. 63 dated 24.3.03 that if offers received for purchase of assets are rejected, then, while rejecting the offer, reasons with justifications be recorded indicating prospect of better sale price within a month or so when next auction is to be held so as to ensure expeditious disposal of units under possession.

Despite above guidelines, it has been observed that :

- i) Disposal of units cannot be considered satisfactory as in most of the BOs, no assets were sold in May, 2003 while conducting Special Sale campaign.
- ii) Rejection of bid(s) on the day of auction has been found substantially high and even sale committee did not record the reasons for rejection of bid(s) and prospects for better sale price in the next auction to be held.
- iii) BOs/ROs do not make difference between 'General Sale' and 'On the Spot Sale' campaign. It appears that they treat both the auctions at par, while 'On the Spot Sale' campaign is for units that could not be sold after a number of attempts. Moreover, by this way, the basic objective of introducing the system of 'On the Spot Sale' drive is defeated. If this style of functioning continues, it is to be examined as to why the person(s)/officer(s) concerned incur expenditure repeatedly on advertisements, watch & ward, etc.
- iv) Merely putting the unit to auction does not serve the purpose, unless BM and DGM (R) make all out efforts and adopt strategy for searching out potential buyer(s). The time has gone when the buyers happened to visit for purchase of units under possession without contacting them personally.
- v) On account of lack of quorum, decision on the bid(s) received on the date of auction was kept in abeyance at few BOs, which is a serious issue. BM/DGM (R) must ensure that such occurrence may not be allowed to happen in future.

Unnecessary rejection needs to be avoided. If bid is rejected by the Sale Committee on the recommendations of the Branch Manager/Dy. General Manager (R), the BM/DGM (R) should undertake to dispose off the unit(s) within 2 months at higher price for which the bid has been rejected. It is further, clarified that MRV of the assets of the unit alone will not be a reason for non disposal of unit(s) under 'On the Spot Sale campaign' as several other vital factors contribute for sale of the unit and also the Corporation had already put such unit(s) for auction several times without any results.

It is reiterated that BOs/ROs should ensure all out efforts to achieve desirable results on the day of auction. It is also clarified that bonafide action would be protected by the Corporation.

All concerned are advised to make a note of above.

(T. Srinivasan)
Chairman & Managing Director

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

RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/ARRC/HO/ARRC/Gen-77/460

Dated : 5th June, 2003

CIRCULAR
(ARRC No. 70

Reg : Refund of Earnest Money.

Attention is invited to PG Circular No. 738 (FR-40) dated 7.8.1997 wherein it was explicitly stated that “earnest money of unsuccessful bidder should be returned immediately. DD/Banker’s cheque representing the earnest

CIRCULAR

money itself should be returned to the unsuccessful bidder and in case where the earnest money has been received in cash then the refund of earnest money should be by way of account payee cheque.”

It has been observed that the guidelines in this regard are not being strictly followed and earnest money of unsuccessful bidder is not being returned on the date of auction by some branches. Besides this, there may be some old cases where earnest money has not been returned to the unsuccessful bidder(s) till now. This kind of inaction can cause problems to the Corporation in future.

It is reiterated that all concerned should ensure that no case is left pending for refund of earnest money and in future earnest money should be returned to unsuccessful bidder immediately after close of auctions. In case Branch Manager feels that refund of earnest money at this juncture is not in the interest of the Corporation, may be on account of pending court case of any other reason, complete information be sent to DGM (ARRC) clearly indicating as to why the Branch Office has not been able to refund the earnest money to unsuccessful bidder. This report be sent to DGM (ARRC) by 30-6-2003 positively.

Sd/-
Executive Director

Copy to :

- 1 All Regional Offices/Branches/Sub-Offices.
- 2 GM (WZ), Jodhpur / DGM (A&I), Ajmer.
- 3 Standard circulation in HO.

RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/ARRC/Gen-77/2002-03/591

Dated : 16.6.2003

CIRCULAR
(ARRC No. 71)

Reg : Release of payment to the State Government Department(s) under 70:30 policy.

Ensuring to release eligible payment, out of the sale proceeds, to the State Government Department(s), guidelines were issued vide PG Circular No. 976 (ARRC No. 50) dated 26.7.2002 and PG Circular No. 999 (ARRC No. 61) dated 6.3.03. You are aware that non-release of payment to the State Government department(s) in the prescribed period would attract interest liability to the Corporation.

It has been observed that there are few cases in which payment has not so far been remitted by Branch Offices to the State Government Departments.

All concerned are once again advised to ensure strict compliance of the guidelines issued with regard to apportionment of sale proceeds in the ratio of 70:30.

Sd/-
(J.P. VIMAL)
Executive Director

1. All Branches, ROs and SOs.
2. GM (WZ), Jodhpur / DGM (A&I), Ajmer.
3. Standard circulation in HO.

RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/ARRC/1034

Dated : 14.8.2003

CIRCULAR
(ARRC No. 73)

Reg : **Holding of deficit cases review meeting (DCRM).**

Attention is invited towards PG circular No. 452 dated 31.08.1991 emphasising to hold deficit cases review meeting once in a month under the chairmanship of DGM (R) so as to review all the deficit cases and decide concrete line of action. Reiterating to hold DCRM every month, a letter was again issued to all DGM (R) by DGM (ARRC) on 29.7.2002, followed by a reminder letter dated 5.9.2002.

The matter has been reviewed and observed that DCRM is not being conducted every month by BOs. Also few BOs do not send minutes of DCRM. It has also been noticed that some of the BOs have not conducted DCRM even in a quarter.

You are, once again advised that DCRM should take place every month under the chairmanship of DGM (R) and deficit cases, decretal cases and written off cases should be seriously discussed in the meeting and firm line of action in each case be decided and decision taken in the meeting should be monitored regularly by the Branch Manager and DGM (R). While discussing the cases in the DCRM, minutes be recorded in Annexure 'A' as enclosed herewith so as to know the complete details of the case as well as to ensure monitoring of the decision taken in the last meeting. Soon after holding the meeting minutes be forwarded to DGM (ARRC).

All BMs and DGMs(R) are advised to ensure compliance of the above directions.

Sd/-
(J.P. Vimal)
Executive Director

Enc : As above.

Copy to :

1. All BOs, ROs and SOs.
2. DGM (A&I), HO and DGM (A&I), Ajmer.

**RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)**

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/ARRC/23/HO/Gen/152/2432

Dated : 18/23.10.2003

**CIRCULAR
(ARRC No. 75)**

Reg : **Grant of loan for restarting sold unit(s).**

Guidelines for granting loan for restarting the sold unit(s) were issued vide PG Circular No. 395 dated 29.10.1990. On account of change in rate of interest and vast delegation of sale powers, it is necessary to make some amendments in the guidelines.

Accordingly, it has been decided to amend point number 6 and 8 of Annexure 'A' as appended to PG circular no. 395 dated 29.10.1990. Point No. 6 & 8 are substituted as under :

“Point No. 6 : Interest”

The rate of interest shall be the documented rate of interest as indicated in the agreement to sell OR prevailing rate of interest, whichever is higher.

“Point No. 8 : Sanctioning authority :”

The loan will be sanctioned by the authority who has approved the sale. In HO, this facility shall be sanctioned by Executive Director (ED) upto the loan of Rs. 100.00 lakh. These powers would be in addition to the existing powers of sanction delegated to the different authorities.”

All concerned are advised to make a note of above.

Sd/-
(Yaduvendra Mathur)
Chairman cum Managing Director

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

**RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)**

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/ARRC/23/HO/Gen/152/2725

Dated : 11/14.11.2003

CIRCULAR
(ARRC No. 77)

Reg : Grant of loan for restarting of sold unit(s).

Your attention is drawn towards P&G circular No. 395 dated 29.10.1990 and P&G circular no. 1024 (ARRC No 75) dated 23.10.2003 vide which guidelines were issued for granting of loan for restarting of the unit sold by way of auction by the Corporation.

You are aware that the purchaser is required to spend a considerable amount for restarting the unit in the form of repairs and renewals, maintenance of building and machinery, replacement of part asset(s), amount paid to RIICO against IPI dues and working capital margin.

With a view to attract entrepreneurs, purchasing the unit under possession through auction from the Corporation, a scheme for granting loan for restarting of the unit was introduced. But it is felt that on account of lack of awareness and proper publicity of the aforesaid scheme, progress made is not satisfactory.

The Rehabilitation/Reconstruction of such sick units would obviously be helpful in recycling of production, generating employment and also opening avenues of income for the Corporation. Moreover, old stock of units under possession would reduce which ultimately save expenditure being incurred on advertisement as well as watch & ward.

The financial assistance under the aforesaid scheme is released only if the purchaser restarts the unit within the prescribed period which, of course, indicate that while extending assistance under the said scheme, it be seen that purchaser takes required steps for revival of the unit at their level.

Proforma of bio/data to be obtained from the highest bidder is also appended herewith so as to ensure that information in the proforma be obtained soon after attempting the auction. This proforma would also be helpful in knowing the financial position of the bidder, their future plans for restarting the unit as well as to avail loan from the Corporation.

While sending the proposal for approval sale to HO any scheme of sale, alongwith requisite information, as indicated in ARRC circular No. 45 dated 10.04.2002, bio/ data of the highest bidder/promoter/partner/director, in the enclosed proforma, may also be sent to HO positively.

All concerned are advised to ensure to popularise the aforesaid scheme and make andeavours to extend required financial assistance to the purchaser of the auctioned unit as per norms of the Corporation.

After grant of the restart-up loan, Branch Manager may invariably send copy of the sanction letter to DGM (ARRC), HO for monitoring purposes.

Sd/-
(Yaduvendra Mathur)
Chairman cum Managing Director

Encl : As above.

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

BIO DATA

DETAILS ABOUT PROMOTER(S)/PARTNER(S)/DIRECTOR(S)

Who gave the highest bid in the auction / negotiation

1. Name and permanent address
2. Father's name
3. Age
4. Telephone No.:
 - (a) Residence
 - (b) Factory/business
5. Name of the unit/firm/company, if name/constitution has been decided
6. Qualification(s)
7. Details about experience/occupation
 - (a) Present
 - (b) Past
 - (c) Any other business/industrial experience
(full details about name and address of concern/
Employer, period, exact nature of work, etc.
May be furnished.
8. Details of networth and sources of investible funds
9. Whether factory would be run :
 - (a) With the present product of
The unit being purchased Yes/No
 - OR**
 - (b) Line of the product would be
Changed/diversified ? Give details. Yes/No
 - OR**
 - (C) Full or part assets being
Purchased would be sold out Yes/No
10. Details about planning for
Expansion of the project
11. Whether further finance from
RFC is needed ? Give details.
- 12 Name & address of the banker
- 13 Details of concern(s) of which he is proprietor/
Director (following details in respect of each such
Concern may be given)
 - (a) Name & address of the banker
 - (b) Nature of business
 - (c) Extent of his interest
 - (d) Year of establishment
 - (e) Name & address of the
Bank(s) in which account
of such concern is operated.
 - (f) Details of financial
assistance from RFC/Bank etc. (if any)

Signature
Name :

Place :
Date :

RAJASTHAN FINANCIAL CORPORATION
(ARRC Cell)

CIRCULAR

No. RFC/ARRC/Sale/77/2796

Dated : 15/25.11.2003

CIRCULAR
(ARRC No. 78)

Reg : **Proforma of terms & conditions of sale/tender and sale letter.**

Vide PG Circular No. 738 dated 7.8.1997 and O&M Circular No. 460 dated 1.1.1998, proforma of terms & conditions of sale / tender and sale letter respectively were circulated. Owing to subsequent amended guidelines, changes in these formats are considered essential.

Though, filed offices make necessary changes in proforma considering guidelines/circulars issued from time to time, but in order to having uniformity, these formats have been suitably amended for the purpose of sale made on deferred payment basis. BOs/ROs may make necessary changes if sale is made on cash down basis.

All concerned are advised to make use of the revised formats in future, as appended herewith.

Sd/-
(Yaduvendra Mathur)
Chairman cum Managing Director

Encl : As above.

Copy to :

1. All BOs, ROs and SOs.
2. GM (WZ), Jodhpur / DGM (A&I), Ajmer.
3. Standard Circulation in HO.

RAJASTHAN FINANCIAL CORPORATION
H.O./B.O. _____

Dated : _____

Shri _____

Dear Sir,

Reg : Approval of sale of assets i.e. _____
of M/s _____
located at _____

With reference to above, we are pleased to inform you that your bid of Rs. _____ (Rupees
_____ only) for the purchase of fixed assets i.e.
_____ of M/s _____ located at _____
given by you during auction / negotiations held on dated _____
at Head Office / Regional Office / Branch Office (place) _____ has been approved by this
Corporation on the following terms and conditions :

1. The fixed assets are being sold to you in "as is where is" position.
2. The sale price of the fixed assets (i.e. _____) shall be Rs. _____
3. You are required to make _____ % i.e. Rs. _____ of the sale price as initial payment within a period of 15 days from the date of issue of this letter. In case, the possession of assets, after completing the requisite formalities, is not taken over by you within a period of 30 days from the date of issue of this sale letter, the entire amount deposited by you (including earnest money and initial payment) may be forfeited by the Corporation without giving further notice to you.
4. The balance payment shall be made by you in a period of _____ years in _____ quarterly / monthly instalments. The first such payment shall be made by you after the expiry of _____ months. The last date of repayment shall be _____.
5. You will make payment of quarterly interest @ _____ % p.a. from the date of takeover of sold assets OR after expiry of 30 days from the date of issue of letter for approval of sale,; whichever is earlier. In case of default the Corporation shall charge _____% above the concessional rate of interest i.e. _____ % on the amount of default during the period of default.
6. You will keep the assets as sold to you fully insured during the currency of hire purchase agreement.
7. The purchaser will execute an agreement to sell/conveyance deed within a period of 30 days from the date of issue of this letter and shall take over the possession of assets simultaneously without any delay.
8. In case the possession of assets is not taken by you in terms of condition no. 7 after completing requisite formalities and is taken on a later date, then the Corporation; shall charge interest as per the condition no. 5 of this letter including the period for which possession is not taken by you.
9. Leasehold rights of the land shall be transferable only for the remaining period of lease by lessor.
10. You will also be liable for IPI dues of RIICO Ltd.

11. You have to get the documents relating to sale executed and registered at your own cost as per provision of Rajasthan Stamps & Registration Act. All the charges about stamps & registration are to be paid by you.
12. You have to submit NOC of Rajasthan Pollution Control Board in case of any pollution prone unit is established.
13. You have to give employment to SC/ST candidate as per policy of the State Government.
14. In case the purchaser intends to execute the Agreement to Sell/Conveyance Deed in favour of any firm / company, then the purchaser has to have more than 50% of his share in that firm / company. All requisite information relating to his / their creditworthiness reports need to be furnished.

You are requested to please contact our BO _____ for further necessary action in the matter and deposit a sum of Rs. _____ being balance amount (after adjustment of money deposited by you at the time of auction) of sale price at the earliest but positively within a period 15 days and also takeover possession of assets sold to you within 30 days from the date of issue of this letter after execution of an Agreement to Sell/Conveyance Deed, otherwise the approval for sale being conveyed to you will be treated as cancelled.

Thanking you,

Yours faithfully,

Branch Manager/Manager (ARRC)/DM (FR)/DM(ARRC)

Copy to :

1. Branch Manager, RFC _____ for information and n/a.
2. DGM (R), RFC, _____ for information.
3. DGM (ARRC), HO _____ for information.

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/ARRC/Sale/77/2804

Dated : 24.11.2003

CIRCULAR
(ARRC No. 79)

Reg : **Priority to dispose-off plant & machinery under possession.**

Several units are under possession for quite a long time. Heavy amounts are being incurred on watch & ward and advertisement. In the past stress was laid on disposal of part / full plant & machinery separately so as to avoid unnecessary expenditure and also to generate funds by selling part assets Desirable results have not yet come.

All Branch Managers/DGM (R) are now advised to pay personal attention and make all out efforts to dispose-off the units under possession expeditiously. Simultaneously, priority to sell P&M may also be given.

It is also reiterated that achievement of targets assigned for sale of units for FY 2003-04 should be ensured.

Sd/-
(Yaduvendra Mathur)
Chairman cum Managing Director

Copy to :

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

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

No. RFC/ARRC/Sale/77/2805

Dated : 24.11.2003

CIRCULAR
(ARRC No. 80)

Reg : **Expeditious handing over possession of auctioned unit to purchaser.**

Prevalent guidelines relating to sale of units emphasise that the purchaser may take possession of sold assets within 30 days from the date of issue of sale letter. While reviewing the position, it has been observed that there are cases where even after 30 days from the date of sale letter, purchasers have not taken possession from the Corporation.

You are well aware that practically an auctioned unit is revived only after it is handed over to the purchaser. **In order to ensure expeditious revival of unit already auctioned, it is necessary that you should forthwith.**

- (i) Review all the cases where purchaser has not hitherto, deposited initial payment as per sale letter.
- (ii) Look into the cases where requisite initial payment has been deposited but other formalities are yet to be completed by the purchaser.
- (iii) Handover the possession of the assets where required amount has been deposited and requisite formalities have also been completed.
- (iv) Draw the final list of the categories mentioned above. The purchasers be contacted over telephone and Registered AD letters issued advising them to take immediate possession of the sold unit after completing requisite formalities in 15 days failing which the sale may be cancelled and entire amount deposited by them may be forfeited.
- (v) After taking above steps, action as per norms be taken and such units put to reauction.

Sd/-
(Yaduvendra Mathur)
Chairman cum Managing Director

Copy to :

1. All BOs, ROs and SOs.
2. GM (WZ), Jodhpur DGM (A&I), Ajmer.
3. Standard circulation in HO.

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

No. ARRC/23-HO/2916

Dated : 18.12.2003

CIRCULAR

CIRCULAR
(ARRC No. 81)

Reg : Scheme for settlement of Decretal cases for F.Y. 2003-04

The Corporation has been filing suits for recovery of its dues from the original borrowers and guarantors and substantial expenditure is also incurred in identifying the properties of the borrowers/ guarantors and even after the properties are identified and execution application is filed, the Corporation has not been able to recover the amount effectively. Such borrowers / guarantors have generally shown interest in settlement of their cases by paying decretal amount if the Corporation decides to forego interest part of the decretal amount. The matter has been examined and the Board of Directors , in its meeting held on 3rd December, 2003 has approved the Scheme for Settlement of Decretal cases for F.Y. 2003-04 to effect recovery from these loss cases and to generate more income. The scheme is enclosed at Annexure 'A'.

The scheme is to be operated at the field level, the Branch Managers are enjoined upon to contact loanees individually and to persuade them to avail benefits envisaged under the scheme. Modus-operandi of the scheme would be as under :

- i) Copy of the scheme may be sent to all eligible borrowers latest by 31.12.2003.
- ii) All eligible cases are to be distributed amongst the officers of the Branch with an advise to contact and persuade individual borrowers latest upto 15.01.2004.
- iii) The cases may be registered during the course of visit by accepting Rs.1000/- towards registration fee and 10% upfront amount. However upfront amount if not paid immediately PDCs may be obtained (payable ofcourse prior to 31.01.2004).
- iv) The campaign for the left out cases however, shall be organised from 16.1.04 to 31.1.04.
- v) All the cases registered would be attended immediately and a final decision be taken by the BM within a period of 10 days from the date of registration. Whatever cases are registered and upfront amount deposited, post dated cheques for the required balance amount should be taken in advance payable latest by 31.3.2004. In deserving cases, if it is felt that further extension upto 6 months is required beyond 31.3.2004, the post dated cheques for the remaining amount together with current rate of interest may also be collected. However, atleast 50% of settled amount shall have to be collected upto 31.3.2004.
- vi) Soon after final settlement of the account the documents of security available with the Corporation, if any, shall have to be released/ discharged immediately not later than 30 days from the date of last payment.
- vii) A fortnightly progress report will be sent by RO after consolidating information of their BOs to HO (ARRC) in the prescribed format enclosed at Annexure 'B'. The fortnightly report will be despatched by RO immediately. First such report shall be sent for the period upto 15.01.2004.

Since the scheme does not require detailed calculation, it is expected that there will be no practical difficulty in operating the scheme effectively. Our endeavour should be to cover maximum number of cases through persuasion, personal contact and by seeking help of the Industrial Associations of the area.

(Sanjay Dixit)
Chairman cum Managing Director

Encl : as above.

Copy to :

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

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

No. ARRC/23-HO/2916.

Dated : 18.12.2003

CIRCULAR
(ARRC No. 82)

Reg : Scheme for settlement of Decretal cases for F.Y. 2003-04

The Corporation has been filing suits for recovery of its dues from the original borrowers and guarantors and substantial expenditure is also incurred in identifying the properties of the borrowers/guarantors and even after the properties are identified and execution application is filed, the Corporation has not been able to recover the amount effectively. Such borrowers / guarantors have generally shown interest in settlement of their cases by paying decretal amount if the Corporation decides to forego interest part of the decretal amount. The matter has been examined and the Board

CIRCULAR

of Directors , in its meeting held on 3rd December, 2003 has approved the Scheme for Settlement of Decretal cases for F.Y. 2003-04 to effect recovery from these loss cases and to generate more income. The scheme is enclosed at Annexure 'A'.

The scheme is to be operated at the field level, the Branch Managers are enjoined upon to contact loanees individually and to persuade them to avail benefits envisaged under the scheme. Modus-operandi of the scheme would be as under :

- i) Copy of the scheme may be sent to all eligible borrowers latest by 31.12.2003.
- ii) All eligible cases are to be distributed amongst the officers of the Branch with an advise to contact and persuade individual borrowers latest upto 15.01.2004.
- iii) The cases may be registered during the course of visit by accepting Rs.1000/- towards registration fee and 10% upfront amount. However upfront amount if not paid immediately PDCs may be obtained (payable ofcourse prior to 31.01.2004).
- iv) The campaign for the left out cases however, shall be organised from 16.1.04 to 31.1.04.
- v) All the cases registered would be attended immediately and a final decision be taken by the BM within a period of 10 days from the date of registration. Whatever cases are registered and upfront amount deposited, post dated cheques for the required balance amount should be taken in advance payable latest by 31.3.2004. In deserving cases, if it is felt that further extension upto 6 months is required beyond 31.3.2004, the post dated cheques for the remaining amount together with current rate of interest may also be collected. However, atleast 50% of settled amount shall have to be collected upto 31.3.2004.
- vi) Soon after final settlement of the account the documents of security available with the Corporation, if any, shall have to be released/ discharged immediately not later than 30 days from the date of last payment.
- vii) A fortnightly progress report will be sent by RO after consolidating information of their BOs to HO (ARRC) in the prescribed format enclosed at Annexure 'B'. The fortnightly report will be despatched by RO immediately. First such report shall be sent for the period upto 15.01.2004.

Since the scheme does not require detailed calculation, it is expected that there will be no practical difficulty in operating the scheme effectively. Our endeavour should be to cover maximum number of cases through persuasion, personal contact and by seeking help of the Industrial Associations of the area.

(Sanjay Dixit)
Chairman cum Managing Director

Encl : as above.

Copy to :

1. GM(WZ), Jodhpur, DGM(A&I), WZ, Ajmer
2. All ROs / BOs / SOs.

CIRCULAR

3. Standard circulation at HO.

Annexure 'A'

**RAJASTHAN FINANCIAL CORPORATION
(ARRC)**

Scheme for settlement of Decretal cases for F.Y. 2003-04

- i) Eligible cases:
- a) All decretal cases, irrespective of amount, where primary security has been disposed off and decree for deficit amount was obtained upto **31.03.2000**.
 - b) Decretal cases, being registered under the scheme for settlement of small loans issued vide circular No. FR-287 dated 30.09.2003 and circular No. FR-289 dated 20.10.2003, would not be covered under this scheme.
- ii) Norms for settlement:
- The above eligible cases are to be settled on following norms :
- a) The decretal amount plus other money including legal expenses, advocate fee and expenditure debited to the mortgagor's suspense account, etc. is to be recovered.
 - b) The decretal amount plus other expenses are to be recovered by **31.3.2004**.

c) In case it is felt that the borrower(s) / guarantor(s) are unable to arrange funds and make full payment by 31.03.2004, the borrower(s) / guarantor(s) may be allowed to **pay atleast 50% of the settled amount by 31.3.2004** and the remaining amount shall have to be paid upto 30.9.2004 with current rate of interest on the balance amount paid after 31.3.2004. The justification of extension in period may also be recorded on file and no further extension after 30.09.2004 shall be granted.

iii) Relief amount:

The relief in such cases shall be interest on the decretal amount upto the date of payment.

iv) Registration fee and upfront amount:

The borrower(s) / guarantor(s) against whom decree(s) have been obtained would be required to get their cases registered by depositing **Rs.1000/-** as registration fee alongwith the upfront amount equal to **10% of the decretal amount**. The upfront amount shall be included in the settlement amount.

v) Last date for registration:

The party interested in settlement of its account under this scheme would be required to get their case registered alongwith registration fee and upfront amount positively by **31.01.2004**.

vi) Competent Authority:

The competent authority to settle such cases would be Branch Manager, irrespective of his cadre. He shall dispose off the cases within a period of 10 days from the date of registration.

vii) Action after settlement:

- a) The cases where the execution application for decretal amount has been filed, a compromise application may be filed by both the parties after receipt of settled amount before the concerned Hon'ble Court in consultation with the advocate. After receipt of compromise order from the concerned Hon'ble Court, the mortgaged documents may be released within a month.
- b) In cases where execution application has not been filed, soon after the settled amount is received, the Branch Office may release mortgaged documents within a month.

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

No. ARRC/Deficit/Gen./2919

Dated : 18.12.03

CIRCULAR
(ARRC No. 83)

Reg : **Achievement of targets of sale**

Although Corporation has been making profound efforts this year for disposal of units under possession but necessary results are lacking. It has been gathered that despite availability of vast powers in field, cases are either referred to HO or approval of bids are declined. This is in contravention of guidelines in vogue and which may not be allowed to remain. Attention is also invited to our circular No.ARRC-69 dated 13.05.2003 vide which DGMs(R) were expected to approve the bids, if any, received of whatever amount under Special Sale drive but this has also gone in vain.

Now only 3 months are left to end the current financial year, we need concerted efforts for achieving the targets. Strategy to be adopted in the context is given here under :

- i) In addition to other efforts, purchasers are to be identified by contacting Industrial Associations of the area. Publicity through hand bills / pamphlets be made to make the public aware of auction.
- ii) Prospective purchasers should be given to understand about the facilities being offered by the Corporation i.e. undertaking the liability of other State Government Departments, stamp duty exemption, loans for start up expenses, loans under regular schemes of the Corporation, etc.

- iii) Endeavour should be to dispose off the assets of all units covered under the Special Sale drive.
- iv) Disposal of assets under General Sale should not normally be declined if offer is in excess of 65% of the MRV.

It is enjoined upon all the concerned that not only the assigned targets are achieved in full but to surpass. Evaluation of performance would be dependent on the achievement of the targets.

(Sanjay Dixit)
Chairman cum Managing Director

Copy to :

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

**RAJASTHAN FINANCIAL CORPORATION
(ARRC)**

Scheme for settlement of Decretal cases for F.Y. 2003-04

i) Eligible cases:

- a) All decretal cases, irrespective of amount, where primary security has been disposed off and decree for deficit amount was obtained upto **31.03.2000**.
- b) Decretal cases, being registered under the scheme for settlement of small loans issued vide circular No. FR-287 dated 30.09.2003 and circular No. FR-289 dated 20.10.2003, would not be covered under this scheme.

ii) Norms for settlement:

The above eligible cases are to be settled on following norms :

- a) The decretal amount plus other money including legal expenses, advocate fee and expenditure debited to the mortgagor's suspense account, etc. is to be recovered.
- b) The decretal amount plus other expenses are to be recovered by **31.3.2004**.
- c) In case it is felt that the borrower(s) / guarantor(s) are unable to arrange funds and make full payment by 31.03.2004, the borrower(s) / guarantor(s) may be allowed to **pay atleast 50% of the settled amount by 31.3.2004** and the remaining amount shall have to be paid upto 30.9.2004 with current rate of interest on the balance amount paid after 31.3.2004. The justification of extension in period may also be recorded on file and no further extension after 30.09.2004 shall be granted.

iii) Relief amount:

The relief in such cases shall be interest on the decretal amount upto the date of payment.

iv) Registration fee and upfront amount:

The borrower(s) / guarantor(s) against whom decree(s) have been obtained would be required to get their cases registered by depositing **Rs.1000/-** as registration fee alongwith the upfront amount equal to **10% of the decretal amount**. The upfront amount shall be included in the settlement amount.

v) Last date for registration:

The party interested in settlement of its account under this scheme would be required to get their case registered alongwith registration fee and upfront amount positively by **31.01.2004**.

vi) Competent Authority:

The competent authority to settle such cases would be Branch Manager, irrespective of his cadre. He shall dispose off the cases within a period of 10 days from the date of registration.

vii) Action after settlement:

- a) The cases where the execution application for decretal amount has been filed, a compromise application may be filed by both the parties after receipt of settled amount before the concerned Hon'ble Court in consultation with the advocate. After receipt of compromise order from the concerned Hon'ble Court, the mortgaged documents may be released within a month.
- b) In cases where execution application has not been filed, soon after the settled amount is received, the Branch Office may release mortgaged documents within a month.

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

No. ARRC//Gen/3109.

Dated : 05.01.04

12

CIRCULAR
(ARRC No. 84)Reg : **Expeditious disposal of units under possession**

Review at macro level reveals that disposal of units acquired within last 3 years has not been encouraging. Attention is invited towards circular Nos. FR-223 dated 27.12.2000 and No.FR-241 dated 4.6.2001 vide which cautious approach was adopted in taking possession of defaulting units with a view to restrict accumulation of more units in the hands of the Corporation. It is apprehended that due efforts in disposal of these units have been lacking. The Corporation at this juncture may not afford to increase inventory of possessed units owing to high recurring cost towards watch & ward and advertisement expenses besides loss of interest, wear and tear and risk of theft. There appears no constraint in disposing off the units taken over after issue of the aforesaid circulars as the disposal of these units was deemed inevitable.

It is enjoined upon all concerned to make vigorous efforts to dispose off units acquired after 27.12.2000 (i.e. after the date of issue of first circular) so that none of these units remain in the hands of the Corporation at the end of the current financial year. Information in the enclosed proforma be sent to ARRC for the months of January, February and March,2004 latest by the end of the first week of the succeeding month respectively.

(Sanjay Dixit)
Chairman cum Managing Director

Encl : as above.Copy to :

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

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

No. ARRC/Deficit/Gen./3167

Dated : 07.02.04

**CIRCULAR
(ARRC No. 86)**

**Reg : Extension of validity under the schemes of Deficit / Written Off
and Decretal cases for the F.Y. 2003-04**

The schemes for settlement of Deficit / Written off and Decretal cases circulated vide circular Nos. ARRC-81 and ARRC-82 in terms of the Board decision taken in its meeting held on 3.12.2003 were allowing registration upto 31.01.2004. The objectives of the schemes was to recover substantial amount from these loss category of assets to maximise profit, it has been deemed inevitable to extend the validity under the Schemes. The Board of Directors accordingly in its meeting held on 03.02.2004 has extended the last date of registration from 31.01.2004 to 15.03.2004.

It is enjoined upon all to endeavour to recover maximum amount so as to enable the Corporation to enhance its profitability.

(J.P.Vimal)
Executive Director

Copy to :

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

RAJASTHAN FINANCIAL CORPORATION
(ARRC)Ref. No. RFC/HO/ARRC/2858
23.3.2004

Dated :

CIRCULAR
(ARRC NO. 87)Reg : Revival of cancelled sale.

As you are aware that the Corporation is presently having no guidelines to revive the cancellation of sale of assets. This causes hardship to genuine purchasers. The Board of Directors in its meeting held on 3.12.2003 has decided to authorise CMD to revive the cancelled sale on merits of the case in following circumstances :

1. After forfeiture of amount deposited by the purchaser, the Corporation has not considered any proposal for sale of the assets of the unit.
2. No higher offer than the sale price which was approved by the Corporation earlier has been received.
3. Objection from the side of the original promoter regarding sale of unit has not been received and not pending with the Corporation.
4. The purchaser has approached the Corporation for revival of the cancelled sale within 30 days from the date of communication from the RFC regarding forfeiture of the amount/cancellation of sale.
5. The circumstances explained by the purchaser for not taking possession of the sold assets are considered by CMD.
6. The purchaser is ready to make payment of interest alongwith penal interest as per approval letter for sale or present rate of interest alongwith penal interest whichever is higher for the delayed period.
7. The purchaser is ready to pay the amount incurred on advertisement for sale, if published after cancellation of sale and expenses incurred for watch and ward by the Corporation after issue of sale letter to the date of handing over the sold assets to the purchaser.
8. No benefit of discount on deferred payment would be given if purchaser prefers to convert his offer from deferred payment to cash down basis.

A new para no. 44 may accordingly be inserted in PG Chapter ARRC-1 at page No. 419 as per Annexure-A.

Sd/-
(J.P. Vimal)
Executive Director

Copy to :

1. GM (WZ), Jodhpur, DGM (A&I), WZ, Ajmer.
2. All ROs, BOs, SOs.
3. Standard Circulation in HO.

Encl : As above.

Annexure A

CMD may revive the cancelled sale on merits of the case in following circumstances :

- i) After forfeiture of amount deposited by the purchaser, the Corporation has not considered any proposal for sale of the assets of the unit.
- ii) No higher offer then the sale price which was approved by the Corporation earlier has been received.
- iii) Objection from the side of the original promoter regarding sale of unit has not been received and not pending with the Corporation.
- iv) The purchaser has approved the Corporation for revival of cancelled sale within 30 days from the date of communication from the RFC regarding forfeiture of the amount/cancellation of sale.
- v) The circumstances explained by the purchaser for not taking possession of the sold assets are considered satisfactory by CMD.
- vi) The purchaser is ready to make payment of interest alongwith penal interest as per approval letter for sale or present rate of interest alongwith penal interest whichever is higher for the delayed period.
- vii) The purchaser is ready to pay the amount incurred on advertisement for sale, if published after cancellation of sale and expenses incurred for watch and ward by the Corporation after issue of sale letter to the date of handing over the sold assets to the purchaser.
- viii) No benefit of discount on deferred payment would be given if purchaser prefers to convert his offer from deferred payment to cash down basis.

**RAJASTHAN FINANCIAL CORPORATION
(ARRC)**

No. RFCARRC/Gen-77/81

Dated : 26.04.04
29**CIRCULAR
(ARRC No. 88)**Reg : Disposal of units under the Counter Sale Scheme

The Corporation intends to amend its Scheme of Counter Sale for enhancing the eligibility criteria and certain other amendments. The amendments proposed cover units fulfilling following conditions :

- i) Units having sanctioned loan upto Rs.10 lakh where possession was taken on or before 31.3.2003 and four or more attempts have been made for disposal but could not be disposed off.
- ii) All Transport cases and units under possession where loan only for plant and machinery was advanced in rented premises, which were taken over on or before 31.3.2004, and three or more attempts have been made for disposal but could not be disposed-off.

NITs for the current financial year since are to be issued under both viz. Counter and General Sale schemes separately, it is enjoined upon all not to issue NITs for the units which would be having coverage under the Counter Sale scheme after effecting aforementioned amendments.

You are also advised to ensure that auctions under General Sale may be arranged in the third week of every month.

All concerned are advised to initiate accordingly.

(J.P.Vimal)
Executive Director

Copy to :

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

**RAJASTHAN FINANCIAL CORPORATION
(ARRC)**

No. RFC/ARRC/Deficit/Gen-77

Dated : 24.05.04
29

**CIRCULAR
(ARRC No. -90)**

Reg : Disposal of units under the Scheme for Counter Sale of units

The guidelines in vogue under Counter Sale scheme cover units having sanctioned loan upto Rs.10 lakh where possession was taken on or before 31.3.2000 and 4 or more attempts have been made for disposal. Likewise transport cases and units where plant & machineries were financed in rented premises are eligible if possession was taken on or before 31.3.01 and 3 or more attempts have been made.

With a view to enlarge scope of disposal under the Scheme, the Board of Directors in its meeting held on 17.5.04 has approved the following amendments

- | | | |
|-----|--------------------------|---|
| i) | Eligibility: | <p>i) All units having sanctioned amount upto Rs.10.00 lakh where the fixed assets were taken into possession on or before 31.3.2003 and 4 or more attempts have been made for disposal, but could not be disposed off.</p> <p>ii) All Transport cases and units under possession where loan only for plant and machinery was advanced in rented premises which were taken over on or before 31.3.2004 and 3 or more attempts have been made for disposal, but could not be disposed off.</p> |
| ii) | Delegation of authority: | <p>Branch level committee comprising following officers have been authorised to approve the sale if offer is equivalent to disbursed amount of loan i.e. principal sum or equivalent to 75% of MRV. However, if the Branch Office level Sale Committee finds the sale proposal below the above limits as appropriate and suitable and there being no chance for receiving better offer in future, the Committee may refer the case to RO level Committee which will have full powers to approve the sale irrespective of any limit.</p> |

Branch Manager	- Convenor
Representative of RIICO	- Member

(not below the rank of ARM)

Representative of DIC (not below the rank of DIO)	-	Member
Representative of Bank (not below the rank of Officer)	-	Member
Representative of DGM(R) (not below the rank of DM)	-	Member
Dealing Manager / Dy.Manager Asstt.Manager	-	Member

Quorum: 4 including Convenor

- iii) Procedure:
- i) Meeting of Sale Committee may be convened within 15 days from the receipt of the offer.
 - ii) Once the sale is approved by the competent authority after giving opportunity to the original borrower through Registered A/D letter, no further notice to the original borrower is required to be issued.

Attention is invited towards Circular No. 88 dated 29.4.04 vide which all field offices were restrained to issue NITs under Counter Sale Scheme. It is now enjoined that NITs under Counter Sale scheme may be issued on the basis of these amendments. With the increase of scope for disposal under the scheme, it is expected that the eligible units would now be disposed off in full during the current financial year.

Consequential amendments in PG as per Annexure 'A' may be made.

(Sanjay Dixit)
Chairman & Managing Director

Encl : as above.

Consequential amendments in PG may be made as under :

- i) Dates in paras 20(a)(i) and 20(a)(ii) in Chapter ARRC-I appearing at page 412 may be substituted by 31.3.2003 and 31.3.2004 respectively.
- ii) Under the head "Constitution of Committee" appearing at page 413 of Chapter ARRC-I of PG, para (a) may be deleted. However, head of para (b) may be substituted by "General & Counter Sale Scheme".
- iii) Head of para b(1) of head "Constitution of Committee" appearing at page 413 may be substituted by "Loan cases upto Rs.20 lakh & Counter Sale Scheme".
- iv) A new para at 20(a)(iii) may be added as under :

Meeting of the Sale Committee may be convened within 15 days from the receipt of the offer. Original borrower shall also be invited through Registered AD letter so that he may have an opportunity to bring better offer. The decision of the committee would be conveyed on the same date to the prospective purchaser. Once the sale is approved by the competent authority after giving opportunity to the original borrower through registered AD letter, no further notice to the original borrower is required to be issued.

RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)

Udyog Bhawan,
Tilak Marg,
JAIPUR.

RFC/HO/FR-ARRC/231

Dated : 16/30.6.2004

CIRCULAR
(FR-ARRC No. 91)

Attention is invited towards circular FR-309 dated 31.5.2004 vide which a decision taken by the Board of Directors in its meeting held on 17.5.2004 with regard to furnishing information to CIBIL was informed.

To enable the Corporation to derive authority for obtaining information in deferred sale case for sending to CIBIL, it has been decided that the following new clause may be inserted in the standard terms & conditions of the auction.

“LFkfxr Hkqxrku vk/kkj ds dzsrk dks ;g lgefr nsuh gksxh fd fuxe bdkbZ esa tc rd _.k cdk;k gS dszfMV bUQksjs'ku C;wjksa vkWQ bf.M;k dks mlls lacaf/kr _.k lwpuK,a miyC/k djK ldsxk ,oa izklr dj ldsxk A”

Following clause may also be inserted in the sale approval letter and conveyance deed consequently :

“That the purchaser hereby agrees and gives its consent to the Corporation that during the currency of deferred payment loan, the Corporation may obtain/provide any credit information related to it from/to the Credit Information Bureau of India Ltd.”

All concerned are advised to initiate action henceforth as above while disposing off possessed units.

Sd/-
(J.P. Vimal)
Executive Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

Ref.No. RFC/HO/FR-ARRC/936

Dated : 21.09.2004
22

**CIRCULAR
(ARRC No. 92)**

Reg : Scheme for revival of units under possession by original promoters/borrowers-2004-05

To revive the units under possession of the Corporation in original hands, a special scheme is being introduced. This will facilitate the Corporation to reduce the number of units under possession, to mitigate the litigation and bring down the number of deficit cases. The copy of the scheme is Annexed at 'A'.

The Branch Managers are advised to take following actions:

- i) All promoters/borrowers of the eligible units will be intimated in writing about the scheme latest by 7.10.2004. It will be ensured by Br.Manager/DGM(R) concerned that each eligible unit shall be contacted and persuaded. No unit shall remain unattended. Efforts be made that maximum number of units avail benefit under the scheme.
- ii) For general awareness of the interested entrepreneurs besides intimation to individual borrower the copy of scheme would be circulated to Industries Association and DIC offices.
- iii) The units will be distributed amongst officials of Branch Office who will personally contact the borrowers and persuade them to avail benefit under this scheme.
- iv) Competent authority may start taking decisions soon after registration of cases so that work does not pile up.
- v) Fortnightly report of cases registered and decided is to be sent to HO, ARRC in enclosed format (Annexed at 'B')
- vi) The Branch Manager will work out the amount as per provisions of scheme by 15.10.2004.

All concerned are advised to take action as above and ensure that maximum number of units are revived under this scheme.

**(Sanjay Dixit)
Chairman & Managing Director**

Encl.As above

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

**SCHEME FOR REVIVAL OF UNITS UNDER POSSESSION BY
ORIGINAL PROMOTERS/BORROWERS-2004-05**

A special scheme is being introduced for revival of units under possession of Corporation, in original hands. This will facilitate the Corporation to reduce the number of units under possession, to mitigate the litigation and bring down the number of deficit cases.

1. ELIGIBILITY:

The units taken into possession on or before 31.8.2004.

However, the cases where sale letter has already been issued and offer is still valid would not be covered under the scheme.

2. Registration:

The original promoter/borrower intending to take back possession of the unit will be required to register his case by depositing the amount of Rs 2000/- by 31.10.2004. Registration fee is non-refundable / non-adjustable.

3. PACKAGE:

Concessions/facilities to be extended-

- i) Waiver of balance penal interest as on date of possession.
- ii) Simple rate of interest shall be charged for possession period.
- iii) Funding of remaining interest outstanding @ 10% p.a. The funded interest will be recovered in maximum 3 years (including moratorium period of 6 months).
- iv) Reschedulement of principal for 5 years at documented rate including moratorium period of 1 years.

4. COMPETENT AUTHORITY:

- | | | |
|------|---|-----|
| (i) | For cases, except joint finance cases : | BM |
| (ii) | For joint finance cases : | CMD |

Note:

- a) The competent authority will have to take decision within 3 days from the date of registration of the case.

- b) For joint finance cases BOs will have to send proposal to DGM(FR-ARRC), Head Office within 3 days of registration.

5. MODE OF PAYMENT:

Initial Payment:

The promoter / borrower will have to pay 10% of the outstanding while taking over the possession back from the Corporation as initial payment.

The promoter / borrower will be required to make initial payment within 15 days from the date of registration of the case.

In case of failure at the part of promoter / borrower, Corporation will be free to take action for disposal of unit.

Note:

The amount outstanding shall be calculated after deducting the concessions to be allowed on account of waiver of balance penal interest and adding simple interest for possession period plus other money.

6. OTHER TERMS & CONDITIONS :

- (a) The promoter / borrower will have to submit post dated cheques for quarterly installments alongwith future interest in respect of funded interest and principal amount.
- (b) The promoter/borrower will have to submit an undertaking that he will adhere to the repayment schedule and in the event of default, the Corporation may take possession of the unit without further notice.
- (c) The promoter/borrower will execute required documents/modification deed etc.
- (d) The promoter/borrower will have to withdraw the court case if any pending before taking over possession.
- (e) Concessions / facilities declared by State Government shall also be available as per norms.
- (f) Units registered shall not be put to auction for which an advance notice be given through corrigendum / Notice Board.

The scheme shall come into force with immediate effect.

Annexure-'B'

Br.Office:_____

Period_____

RAJASTHAN FINANCIAL CORPORATION

(Rs. in lacs)

Period of scheme for revival of units under possession by original promoter/borrower 2004-05

S. No	Name of the unit	Date of possession	Amount outstanding	Date of Registration	Amount eligible as per scheme	Date of decision	Date & amt. of initial deposit	Amt. of waiver of penal intt.	Date of handing over possession
-------	------------------	--------------------	--------------------	----------------------	-------------------------------	------------------	--------------------------------	-------------------------------	---------------------------------

Prin. :

Intt. :

O.M. :

Total :

Simple intt. for poss.

period :

SUMMARY:

Total eligible cases

Cases Registered

Cases Decided

Units handed over back

Branch Manager

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

Udyog Bhawan,
Tilak Marg,
Jaipur

No.RFC/HO/ARRC/Gen.77/2004-05/2245

Dated : 27.12.2004

**CIRCULAR
(ARRC No. 94)**

Reg : **Handing over possession of the assets to the Original Promoter(s)**

Substantial number of units are under possession of the Corporation and the assets are not being disposed-off as per expectations for want of adequate offer. It is in the interest of both the Corporation and loanee concerned, if the assets are put to use by the original promoter(s). This will not only facilitate the Corporation to reduce the number of units under possession but also to mitigate litigation and bring down the number of deficit cases. It is therefore, decided that:

1. The unit under possession irrespective of health category of the account can be handed over back to the original promoter/borrower, if he deposits 10% of the outstanding amount as on date of possession plus simple interest for the possession period and other money.
2. The required amount has to be deposited by the promoter and a concrete proposal for repayment of the balance outstanding should also be obtained from the original promoter(s) by the Branch Manager before handing over the possession of the assets of the unit.
3. A declaration be obtained from the promoter/borrower of the unit that he will adhere to the proposed repayment schedule strictly and in the event of default of two consecutive principal of interest or both the installments, the Corporation may take re-possession of the assets of the unit without any further notice to him/them.

The above relaxation shall be available only upto 31st March, 2005.

All concerned are advised to make a note of above.

(Sanjay Dixit)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No. RFCARRC/70:30/Policy/

Dated : 12.04.05

**CIRCULAR
(ARRC No. 97)**Reg : Apportionment of sale proceeds in the ratio 70:30

Guidelines for sharing of sale proceeds in the ratio of 70:30 between RFC and State Government Departments were issued vide circular No. PG-976 (ARRC-50) dated 26.7.2002 and PG Circular No.999 (ARRC-61) dated 6.3.03. Vide Circular No.PG-1001(ARRC-66) dated 24.4.03 it has been clarified that payment against sale proceeds in the ratio of 70: 30 should not be presently made to DIC against DG Set subsidy/IFL Recovery/Capital Investment Subsidy as the matter has been referred by the Corporation to State Govt. for decision.

The Industries (Gr-1) Department vide letter No.F4(30)Ind/1/94 dated 31.3.05 has clarified that the dues pertaining to Capital Investment Subsidy, DG Set Subsidy and IFL be covered in sale proceeds in the ratio of 70:30.(Copy enclosed)

All concerned are advised to make a note of above for compliance.

(Ashwani Bhagat)
Executive Director

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg, C-Scheme,
Jaipur-302005

Ref.No. RFC/HO/FR-ARRC/Policy/Gen.77/96/

Dt. :27th April, 2005

Circular
(ARRC No. -98)

Sub : Providing units under possession on hire to Rajasthan State Warehousing Corporation.

The Rajasthan Warehousing Corporation (RWC) is in search of go-down at different locations of the State for storage of their goods, such as mustard seeds etc. Meanwhile, RFC has a number of units in its possession, which have been taken due to non-payment of its dues, at various locations. RWC has desired suitable units which are having sufficient storage capacity from RFC on hire.

The Branch Managers are, therefore, advised to allow the officers of RWC to inspect the units, which are under the possession of their Branches. In case any unit is found suitable by RWC officials and are interested to take such unit on hire, the concerned Branch Manager of the Corporation, after taking due permission from Head Office, may take necessary action with RWC for renting out such unit to them. However, the Branch Managers should ensure that the units which are likely to be sold within 3-4 months are not given on rent to RWC. They will also ensure that this arrangement with RWC will not hamper the sale of units under possession in any manner. In case of renting out of any unit, due care regarding custody of P&M be also taken.

The Branch Manager concerned may also keep in touch with local offices of RWC/Distt Administration for this purpose. If need be, they can also contact Shri S.S. Naqvi, Asstt. Director(Trade) at their Head Office in Jaipur on telephone No.0141-2567259.

(Rekha Gupta)
GENERAL MANAGER(Dev.)

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg, C-Scheme,
Jaipur-302005

Ref.No. RFC/HO/FR-ARRC/Policy/Gen.77/96/163

Dt. : 11.5. 2005

Circular
(ARRC No. -102)

Sub : Providing units under possession on hire to Rajasthan State Warehousing Corporation.

Circular ARRC numbered as 98 has been circulated vide ref. No. RFC/HO/FR-ARRC/Policy/Gen.77/96 dated 27th April, 2005 on the above subject. In continuation to the above Circular, enclosed is the draft lease deed required to be executed between RSWC and the Corporation. Terms & conditions contained there-in are self contained and need to be followed strictly in reference to ARRC Circular 98 referred above.

All concerned are advised to get the lease deed executed from the competent authority / officer of the RSWC and necessary action for sale of the unit is also to be taken keeping in view the terms & conditions as stipulated in the enclosed draft lease-deed.

(Rekha Gupta)
General Manager(Dev.)

Encl: As above

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No. RFC/FR-ARRC//Gen-77/311

Dated : 06.06.2005

**CIRCULAR
(ARRC No. 103)**Reg : **Disposal of units under the Scheme for Counter Sale of units**

As per present guidelines, the Corporation is operating a scheme of disposal of units under Counter Sale having sanctioned amount of Rs 10.00 lac and possession has been taken over before 31.3.03 and 4 or more attempts have been made for disposal but could not be disposed off so far. Similarly all transport cases and units under possession where loan only for P&M was advanced in rented premises and taken into possession on or before 31.3.04 and 3 or more attempts have been made for disposal but could not be materialized are also covered under Counter Sale Scheme.

To popularise the scheme and to cover more units under counter sale scheme the eligibility criteria have been decided to be modified. Accordingly the following modification have been made in the PG Circular No.1059 (ARRC Circular No.90) dated 29.5.04 :

1. **In the point (I) of eligibility the date 31.3.03 may be substituted with 31.3.04.**
2. **In the point (ii) of eligibility the date 31.3.04 may be substituted with 31.3.05.**

Consequential amendments in PG may be made as under:

Dates in paras 20(a) (I) and 20 (a) (ii) in Chapter ARRC-I appearing at page 412 may be substituted by 31.3.2004 and 31.3.2005 respectively.

All concerned are advised to make a note of above and make all out efforts to maximise the disposal of units under possession under Counter Sale Scheme.

(Karni Singh Rathore)
Chairman cum Managing

Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No.RFC/FR- ARRC/

Dated : 10.6.2005

**CIRCULAR
(ARRC No. 104)**

Reg : **Expeditious disposal of units under possession**

The Corporation is having number of units under possession involving a substantial amount in such units. It is observed that sincere efforts are required for disposal of these units and to evolve a suitable strategy so that these units can be disposed off expeditiously

In order to ensure speedy disposal of unit under possession it is enjoined upon to all Branches that units may be distributed in the officials as per list enclosed and marked as Annexure-"A".

The officers named in the list will visit the area and contact the industries associations, scrap dealers/prospective buyers etc.

The above circular will come into force with immediate effect and shall be operative for 3 months i.e. July & August, & Sept., 2005.

The officer would devote three full days of every month for searching out the prospective buyers as under:

<u>Month</u>	<u>Date</u>
July	13th to 15th
August	11th to 13th
September	10th to 12th

The team will furnish a report in the appended format marked as Annex. "B" to Br.Mgr. concerned and copy to DGM(R) and GM(D), HO. Besides above, the concerned Branch Manager will provide all sort of support to the team members and also to make wide publicity at local level by distributing pamphlets etc.

CIRCULAR

The concerned Br.Manager may replace the team officer on justifiable ground. He shall inform about change to DGM(ARRC).

All concerned are advised to make a note of it and make all out efforts in achieving the targets for revival of units under possession

(Karni Singh Rathore)
Chairman & Managing Director

Encl : As above.

Teams constituted to supervise and to expedite the work of sale of units under possession

<u>S.N</u>	<u>Name of Br.</u>	<u>Officers Name</u>	<u>Place of Posting</u>
<u>0</u>	<u>RO, JAIPUR</u>	Sarva Shri	
1	Jaipur(Rural)	1 Ashok Saxena,DM 2 Gulshan Dutt, AM	BO,Jaipur(Rural) RO, Jaipur
2	Jaipur(City) Dausa, VKIA	1 Satish Handa, DM 2 M.P. Singh, AM	RO, Jaipur BO,Jaipur(City)
3	Sikar	1 Pawan S. Sharma,DM 2 R.P. Dixit , AM	RO, Jaipur BO,Sikar
4	Jhunjhunu	1 Norang Lal, AM 2 S.K. Sharma, AM	RO, Jaipur BO,Jhunjhunu
	<u>RO AJMER</u>		
1	Ajmer Beawar	1 G.K. Barupal, DM 2 S.N. Jingar, AM	BO, Ajmer RO, Ajmer
2	Kishangarh	1 A.L. Gupta, Manager	A&I, Ajmer

CIRCULAR

		2	G.L.Sanwaria, DM	BO, Kishangarh
3	Makrana	1	Shareef Ali, AM	BO, Makrana
		2	R.P. Kurmi, DM	BO, Makrana
4	Bhilwara	1	Ashok Agarwal, DM	BO, Bhilwara
		2	S.K. Singh, DM	RO, Ajmer

RO, ALWAR

1	Alwar	1	Ramesh Chand, DM	BO, Alwar
		2	Govind Singh, DM	RO, Alwar
2	Bhiwadi	1	Bhagwan Singh, DM	BO, Bhiwadi
		2	C.K. Dhamani, DM	RO, Alwar
3	Dholpur	1	B.L. Aswal, DM	BO, Dholpur
		2	Rakesh Sharma	RO, Alwar
4	Bharatpur	1	R.N. Nagar, DM	BO, Bharatpur
			M.K. Sharma	RO, Alwar

RO, BIKANER

1	Bikaner	1	G.S. Asopa, DM	BO, Bikaner
		2	O.P. Sharma, DM	BO, Bikaner
2	Churu	1	G.R. Pareek, DM	RO, Bikaner
		2	P.P. Chaturvedi, AM	BO, Churu
3	Nagaur	1	M.R. Mandawat, AM	BO, Bikaner
		2	Sua Lal Harizan, AM	BO, Nagaur
4	Hanumangarh	1	H.K. Miglani, AM	RO, Bikaner
		2	H.S. Mishra, AM	BO, Hanumangarh
5	Sriganganagar	1	V. Deshraj, DM	BO, Nagaur
		2	Harish Bhati, AM	BO, Sriganganagar

RO, JODHPUR

1	Abu Road	1	Pankaj Purohit, DM	RO, Jodhpur
		2	R.C. Verma AM	BO, Abu Road
2	Sirohi	1	Mahendra Mehta, DM	BO, Pali
		2	S.R. Meena, AM	BO, Sirohi

3	Pali	1	H.R. Roonwal, AM	BO.Pali
		2	Ramraj Purohit, AM	BO, Jodhpur
4	Jodhpur	1	Dinesh Chand Agarwal	BO, Pali
		2	Rameshwar Nath, AM	BO,Jodhpur
5	Jalore	1	Rakesh Purohit, AM	RO, Jodhpur
		2	G.C. Chopra, AM(I/c)	BO,Jalore
	RO, KOTA			
1	Kota	1	K.D. Rastogi, DM	RO, Kota
		2	S.K. Jain, AM	BO, Kota
2	Swaimadhapur	1	I.S. Rathore, DM	RO, Kota
		2	M.P. Meena, AM	BO,Swaimadhapur
3	Jhalawar	1	S.K. Sharma, A.M.	BO,Jhalawar
		2	Arun Gupta, DM	BO,Jhalawar
	RO, UDAIPUR			
1	Udaipur	1	G.C. Jain, DM	BO,Udaipur
		2	H.R. Bhora, DM	RO, Udaipur
2	Rajsamand	1	J.K. Choudhary, DM	BO,Rajsamand
		2	K.C. Gupta, AM	BO,Udaipur
3	Banswara	1	K.L. Patidar, DM	BO,Banswara
		2	K.R. Bunkar, AM	BO,Udaipur
4	Chittorgarh	1	R.L. Jingar, DM	BO,Chittorgarh
		2	P.L. Salvi, AM	BO,Rajsamand

Annexure- "B"

RAJASTHAN FINANCIAL CORPORATION

Branch Office:

VISIT REPORT FOR SEARCHING OUT OF PROSPECTIVE BUYER

1. Name of the Team Members :
2. Date of visit :
3. Places visited :
4. Date of auction : July,05 Aug.,05 Sept., 05
5. Details of the unit under possession :
Total No :
Unit published :
Unit not published :
6. Unit-wise reason for not publication for advertisement :
7. Name and address of the person(s) contacted, with telephone No. :
8. Whether the intending purchaser is an owner of an industrial unit, if yes, whether any finance has been availed from the Corporation :
9. What type of industry/which unit he intends to purchase. :
10. Whether the purchaser intends to purchase the unit on cash down basis or deferred payment basis :
11. Whether the contacted person has suggested some body else name as buyer, if yes, write name, address and telephone number. :
12. Outcome for disposal of unit :
13. Suggestion of the team for early disposal of units lying in the B.O. :

RFC/PG/1108

**RAJASTHAN FINANCIAL CORPORATION
(ARRC)**

No. RFC/HO/FR-ARRC/321

Dated : 9.06.2005

15

**CIRCULAR
(ARRC No.-105)**

Reg : Sharing of sale proceeds in the ratio of 70:30 between RFC and State Govt. Departments.

Attention is invited to PG Circular No.999 dated 6.3.2003(ARRC-60) on the captioned subject. As per the prevailing guidelines, sale proceeds is being apportioned amongst the FIs on the basis of their outstanding and 30% of total sale consideration as earmarked to State Govt. Departments dues. While sharing the sale proceeds in the ratio 30:70 between State Govt. department and FIs 30% of total sale consideration is being paid to State Govt. During the course of meeting between the participating FIs it is revealed that RIICO is sharing sale proceed between Govt. Department and FIs in the ratio of 30:70 of sale consideration arrived after deducting the expenditure incurred by the FIs after taking over possession of the unit . In view of this, the Corporation also decided that henceforth net sale proceeds arrived at after deducting post possession expenditure shall be apportioned in the ratio 30:70 between State Govt. Departments and participating FIs.

In the past cases where any such apportionment has been made on the basis of existing guidelines shall not be re-opened.

All concerned are advised to take a note of above.

(Karni Singh Rathore)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(ARRC Section)
Udyog Bhawan, Tilak Marg,
JAIPUR-3002005

No. RFC/FR-ARRC/Gen-77/652

Dated : 5th August, 2005
16

CIRCULAR
(ARRC No. 106)

Reg : Speedy disposal of units under possession.

Progress made in revival of sick units/disposal of units in the first quarter of the current financial year was reviewed and it was found that the result was not encouraging. It has, therefore, been decided to take the following steps for speedy revival of sick units/disposal of units under possession:-

- (1) The team constituted for searching out prospective buyers of the units under possession shall make vigorous efforts with focus on disposal of those units, which have been put on auction for 20 or more times and have been in the possession of the Corporation prior to 1.4.2000. Every prospective buyer shall be contacted by the team member(s) and explore the possibility of sale of such units.
- (2) The Branch Manager shall maintain a register of past buyers/ potential buyers, scrap dealers, industrial associations. The register will contain name, address, phone, fax and E. mail of such potential buyers/industrial associations. They shall be contacted and informed about the auction programme being conducted by the Corporation/Branch well in advance. The Branch Manager shall ensure that maximum possible bidders participate in the auction proceedings.
- (3) The Nodal Officer visiting their respective areas/ Branches on or before auction programme shall pay their attention to disposal of unit under possession with more emphasis on units lying in possession prior to 1.4.2000.
- (4) The auction programme shall widely be publicized through pamphlets and through industrial associations of the concerned area and by circulating with news papers through news paper hawkers.
- (5) The Business Promotion Cell at HO who is conducting BP Campaign from time to time shall provide names and address of industrial

associations of important metros/Cities where business campaign has already been conducted so that Branch Managers can write to such industrial associations/ potential buyers and explore the possibility of their participation in auction programme.

- (6) Branch Managers shall provide list of units under possession to the concerned Nodal Officers. The list shall be classified in two categories- age-wise and number of auction-wise. The Nodal Officer, in turn shall make efforts at his own level to find purchasers for such units and also devise strategy for early disposal.

(Karni Singh Rathore)
Chairman & Managing Director

Encl: a.a

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No. RFC/HO/FR-ARRC/Gen-77

Dated : 22.08.2005

**CIRCULAR
(ARRC No. 107)**

Reg : Sale of Assets under possession on cash down vis-a-vis deferred payment basis.

Ref: ARRC Circular No.29 (PG 940) dated 12.10.2001

Attention is invited to ARRC Circular No. 29 (PG-940) dated 12.10.01 regarding sale of assets under possession on cash down vis-à-vis deferred payment basis.

The above matter has been reconsidered and it has been decided that henceforth in no case the Corporation shall provide cash discount/rebate for cash down sale.

In view of this, the participating bidders may now offer their bid for purchase of assets as per their preference i.e. either on deferred payment basis or cash down basis. The sale approval cum negotiation committee shall now finalise the proposal and would decide without considering any benefit with regard to cash discount / rebate on cash down sale. The para No.26 of Chapter ARRC Page No.415 of P&G shall stand modified with immediate effect.

All concerned are advised to make all out efforts to dispose off maximum number of units in the remaining current financial year.

**(Karni Singh Rathore)
Chairman & Managing Director**

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No. RFC/FR-ARRC/921

Dated : 17.09.2005
19

**CIRCULAR
(ARRC No. -108)**

Reg : **Incorporation of additional condition in terms & conditions of sale**

Attention is invited to PG Chapter ARRC-1 Takeover of Assets - Point No.36 i.e. initial deposit by highest bidder.

It is noticed that in the terms & conditions of sale many of the Branches are not incorporating the condition of depositing earnest money @ 5% of final bid either in cash or through DD at the conclusion of sale / auction proceedings. It is, therefore, decided that henceforth the following terms & condition may be incorporated in terms & conditions of auction proceedings.

"The highest bidder shall deposit the difference, if any, of the earnest money @ 5% of final bid (subject to minimum of Rs 1.00 lakh) either in cash or through DD at the conclusion of Sale / auction proceedings."

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

**(Karni Singh Rathore)
Chairman & Managing Director**

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No. RFC/HO/FR-ARRC/920

Dated : 17.09.2005

**CIRCULAR
(ARRC No. 109)**

Reg : Obtaining of PDCs in deferred sale cases

Presently the Corporation is approving sale on deferred payment basis by accepting payment of deferred amount in quarterly instalments without obtaining PDCs. The matter has been examined in detail and it is decided by the competent authority that henceforth in all deferred sale cases the Corporation shall obtain PDCs for the payment of instalments and interest thereon. The terms & conditions for sale may also be accordingly modified and the following condition may be incorporated:

"The purchaser shall furnish PDCs for repayment of principal & interest thereon".

All concerned are advised to make a note of above and ensure compliance.

**(Karni Singh Rathore)
Chairman & Managing Director**

**RAJASTHAN FINANCIAL CORPORATION
(ARRC)**

No. RFC/ARRC/Deficit/Gen-77/931

Dated : 17.09.05
20

**CIRCULAR
(ARRC No. 110)**

Sub: Scheme for Settlement of Deficit Cases, Decretal cases and Written-off /
Written back cases above Rs 2.00 Lac.(Cases other than covered under
ARRC Circular No.100)

In order to reduce NPAs in the category of deficit cases, decretal cases and written-off/written back cases a Scheme is introduced to settle such cases involving amount above Rs 2.00 lac(cases other than covered under ARRC Circular No.100). The salient features of the scheme are given below:

- i) Eligibility:
- | | |
|---|---|
| 1 | Deficit cases having absolute principle sum above Rs 2.00 lac as on date of sale. |
| 2 | Written off cases having written off amount above Rs 2.00 lac. |
| 3 | Decretal cases where decretal amount is above Rs 2.00 lac. |
- ii) Operative period 20.9.05 to 31.12.05
- iii) Registration
- | | |
|--|-------------------------|
| a) Registration fee is to be taken as under: | |
| <u>Committee</u> | <u>Registration fee</u> |
| a) DLAC | Rs 1000/- |
| b) HOLC | Rs 2000/- |
| c)SLC | Rs 3000/- |
- b) Upfront amount : 10% of the outstanding as on date of registration or 15% of principal plus other money which ever is less. Upfront amount shall be adjusted from the settlement amount.
- iv) Norms for settlement
- a) No case shall be settled below the principal segment of deficit, decretal amount and written-off amount plus other money outstanding on the date of registration of the case.

b) Each case shall be decided on its merit based on the value of collateral security, value of the property of guarantor(s) and net worth of the promoter(s).

Note:

On deficit amount, decretal amount and written off amount simple documented rate of interest shall be charged and not the compounding rate of interest. Cases may be settled by the committee on the basis of amount arrived at as per above and security available.

v	Competent authority to settle the cases	DLAC	Cases where financial implication (sacrifice) is upto Rs 2.00 lac.
		HOLC	Where financial implication (sacrifice) is upto Rs 30.00 lac and appeal cases of DLAC .
		SLC	Where sacrifice is above Rs 30.00 lac and appeal cases of HOLC.
vi	Strategy	1	Br.Manger shall issue notice to all eligible loanees for settlement. However, where litigation u/s 31(1) (aa) or 32-G is pending, the notice will be issued without prejudice to the court case. The cases in which action under section 32-G or 31(1)(aa) have yet not been initiated shall be taken immediately so that desired result in this scheme could be achieved.
		2	All eligible cases would be distributed amongst the officials of the branch Each and every case shall be monitored by Br.Manager.
		3	Exercises with regard to identification of property and its value belonging to the promoter(s) & its guarantor(s) (including net worth of the promoter(s)) would be completed latest by 15.10.2005.
		4	Wide publicity of the scheme would be ensured by distributing pamphlets/hand bills, brochures etc. to the eligible entrepreneurs and the Industrial Associations

- | | | | |
|------|---|---|--|
| | | 5 | Copies of the scheme may also be got displayed on the notice board of the Branch, R.O., office of the Distt. Collector and the office of the Gen.Manager, DIC |
| | | 6 | Weekly information in the enclosed proforma would be sent to ARRC HO on every saturday. |
| | | 7 | Deposition of the entire amount of settlement shall be ensured latest by 28.2.2006. |
| vii | Other terms & conditions
(U/s 32-G/31(1) (aa)) | 1 | As soon as the payment of settlement is received, relevant documents may be released subject to fulfilling of norms and other terms and conditions.

Loanee concern/guarantor may withdraw the case filed by them before issue of no dues certificate. |
| | | 2 | Cases pending in courts of law or with the Distt. Authorities shall be deemed to have been settled finally only after covering the said proceedings to end. |
| viii | Appeal | 1 | Appeal to the next higher committee can be made by depositing registration fee of Rs 5000/- and upfront amount equivalent to 15% of principal sum plus other money within 30 days of the decision of lower committee. |

All concerned are advised to take a note of above and make earnest efforts to settle maximum number of cases under the scheme.

(Karni Singh Rathore)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No. RFC/FR-ARRC/660

Dated : 14th Sept., 2005
20

**CIRCULAR
(ARRC No. -111)**

Reg : Rehabilitation of sick units

During the examination of CAG report for 1998-99 by the Public Undertaking Committee (PUC), the issue of rehabilitation assistance to sick units also came up. It has been observed that while selection of project is made for rehabilitation assistance, proper assessment on its viability/feasibility is not made as a result of which, the unit even after availing the assistance goes sick/closed down due to one reason or the other including the following:-

- (1) Non observation/adherence to the conditions stipulated while sanction of the rehabilitation package;
- (2) Non-availability of working capital by the concerning banks as per sanctioned package;
- (3) Inability of the promoter to furnish collateral security to bridge the gap in security vis-a-vis outstanding.
- (4) Lack of assessment of marketing competition and consequently occurrence of losses;
- (5) Non-contributing of promoters own contribution;
- (6) Non-grant/extending the relief and concessions envisaged from the other departments sanctioned under the package;

It is, therefore, enjoined upon all concerned to keep the above observations in mind while registering a case for rehabilitation assistance and ensure that units, which have the potential of sustaining and running successfully after availing rehabilitation assistance, are registered and recommended to Head Office for such assistance.

**(Karni Singh Rathore)
Chairman & Managing Director**

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No. RFC/HO/FR-ARRC/Gen-77

Dated : 29.10.2005

**CIRCULAR
(ARRC No. -112)**

Reg : **Sale of units under possession.**

The existing guidelines pertaining to ARRC contained in PG have been reviewed and to remove the ambiguities, to simplify the procedure further and also to speed up the process of disposal of units under possession, the following provisions of PG Chapter ARRC-I are substituted as under :-

Section 29 - Earnest Money

Bidders / Prospective purchaser, Participating in the auction programme shall pay earnest money @ 5% of the MRV instead of bid amount .

NOTE: The proforma of NIT will have one more column of earnest money. The DGM(R) may therefore forward details of NIT by indicating requisite amount of earnest money against the name of each unit.

Section 36 - Initial payment by Highest bidder

1. Initial payment on approval of bid-

The highest bidder shall deposit difference amount, if any, of the earnest money @ 5% of his final bid(including earnest money already deposited) in cash / cheque / DD on conclusion of auction / sale proceedings / negotiations(Outstation cheque shall not be entertained).

Note: -

1. Earnest money above 5% of sale value shall not be refunded but shall be adjusted in initial payment.
2. In case payment by cheque, for the difference amount of the initial payment, then the sale approval letter shall be issued incorporating following condition:

“Letter for approval of Sale will be effective only after realisation of the cheque”

2. **Initial payment * after issue of sale letter.**

S.No	Sale amount	Initial payment
1	Where sale consideration is above Rs 2.00 lac but upto Rs 5.00 lac	50% of sale price (including payment already received)
2	Where sale consideration is above Rs 5.00 lac but upto Rs 10.00 lac	35% of sale price (including payment already received)
3	Where sale consideration is above Rs 10.00 lac	30% of sale price (including payment already received)

* **The term initial payment wherever appearing in the P&G.**

Section 38 - Approval of sale:

Point No. (C) may be added at section 38 in PG Chapter- ARRC-I as under :

After issue of sale letter, case will not be re-opened. However, before issue of sale letter, if higher offer not less than 15% of the sale price at which sale was approved is received may be entertained, provided such offer is accompanied by earnest money of minimum 15% of the total amount offered by the fresh offerer, that should be in the form of DD / Pay Order / Cash.

The decision to approve the sale shall be taken on the spot by the authority / committee to whom the powers have been delegated by the Board and the sale approval letter shall be issued on the same day.

Note: With regard to intimation of auction to original promoter, point No.19 of PG ARRC-1 page No.412 needs to be strictly followed.

Section 40 - Deleted

Section 41 - Disposal of units on cash down basis :

- a) Units where sale consideration is upto Rs 2.00 lac.
- b) Transport loan cases
- c) All sale cases of P&M including movable assets (whether in rented premises or otherwise)

The above orders will be effective from 1.11.2005.

All concerned are advised to make a note of above and make all out efforts to dispose off maximum units in the current Financial Year.

(Karni Singh Rathore)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION

**Udyog Bhawan,
Tilak Marg,
JAIPUR-302005**

No. RFC/HO/FR-ARRC/Gen.-77/1610

Dated : 16 .12. 2005
19

**CIRCULAR
(ARRC No. -114)**

Reg : **Revision in terms and conditions of sale.**

The Corporation has recently made certain amendments/modifications in terms and conditions of sale of assets under possession. In order to update terms and conditions of sale, which are required to be got signed from the participants in the auction programme, format of terms and conditions of sale has been modified in supercession of earlier guidelines issued vide ARRC Circular No.78 dated 25th November, 2003, which is enclosed herewith.

All concerned are advised to make a note of above and ensure that in future, the revised terms and conditions of sale of assets under possession should be used at the time of auction.

**(Rekha Gupta)
GENERAL MANAGER(D)**

Encl. As above.

RAJASTHAN FINANCIAL CORPORATION

**Udyog Bhawan,
Tilak Marag,
JAIPUR-302005**

No. RFC/HO/FR-ARRC/Gen.-77/1611

Dated : 16 .12. 2005
19

**CIRCULAR
(ARRC No. -115)**

Reg : **Earnest money required for purchase of part assets under possession**

PG Circular No.1129 dated 5th November, 2005 was issued prescribing guidelines for taking earnest money @ 5% of the MRV of the assets, instead of bid amount.

While conducting auctions, it has been observed that in some cases, purchaser parties have intended to purchase part assets i.e. plant & machinery or part of it. In such a situation, intending purchaser party finds difficulty with regard to depositing earnest money.

Considering above, it has been decided that henceforth, Branch Offices may accept earnest money equal to 5% of the offer/bid amount in case purchaser party intends to give offer for purchase of part assets i.e. plant & machinery or part of it. However, the provision of earnest money @ 5% of the MRV of the assets for purchase of total assets shall continue to be in force as circulated vide PG Circular No.1129 dated 5th November, 2005.

All concerned are advised to take a note of above.

**(Rekha Gupta)
GENERAL MANAGER(D)**

RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)

No. RFC/HO/FR-ARRC/Gen-1664

Dated : 24.12.2005

CIRCULAR
(ARRC NO. 116)

Reg : Information required while forwarding proposal for approval of sale to Head Office.

In some cases, proposals for approval of sale are being forwarded by field offices to HO, where BO level or RO level Sale Committee is not competent to approve the sale. It has been observed that such proposals are sent without full facts/information and owing to this, it becomes difficult to take an appropriate decision.

In view of above, it has been decided that field offices may furnish information in the enclosed proforma, while forwarding proposal for approval of sale, where BO level or RO level Sale Committee is not competent to approve the sale. It should also be ensured that photo copy of the auction proceedings should invariably be appended.

All concerned are advised to make a note of it for compliance.

Sd/-
(Rekha Gupta)
General Manager (D)

Encl : As above.

RAJASTHAN FINANCIAL CORPORATION, BO -----

Proposal for approval of the bid/offer received in case of
M/s. _____

1.	Name of the unit			
2.	Address			
3.	Product			
4.	Loan sanctioned			
	(i) Date			
	(ii) Amount			
5.	Amount disbursed			
6.	Date of possession			
7.	Amount outstanding :	As on date of possession	As on date	
	(i) Principal sum			
	(ii) Interest			
	(iii) Other Money			
	Total			
8.	MRV (Calculated on)			
	(i) Land			
	(ii) Building			
	(iii) Plant & Machinery			
	(iv) Other assets, if any			
	Total			
9.	Dues of other departments			
	(i) RIICO			
	(ii) PHED			
	(iii) RSEB			
	(iv) Transport			
	(v) State Excise			
	(vi) Sales Tax			
	(vii) Industries			
	(viii) Other, if any			
10.	No. of attempts of auction made so far			
11.	Details of offers received in the past			
Sl.No.	Date of auction	Highest offer received	Decision of the committee	Remarks

12.	Details of present offer :	
	(a) Amount offered	
	(b) For entire assets or for part assets, give details	
	(c) Cash down/deferred payment basis offer	
	(d) Name of offerer (person/unit)	
13.	Give details, if part assets have already been sold out earlier :	
	(i) Date of sale	
	(ii) Sale price	
	(iii) Assets sold	
	(iv) Date of handing over	
14.	Whether intimation of this auction was given to original promoter Yes/No.	
15.	Whether original promoter or his representative attended the auction programme and gave his consent – Yes/No.	
16.	Comments of Committee including the chances for receiving better offer in future.	

NOTE : Also enclose photo copy of auction proceedings.

BRANCH MANAGER

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg, C-Scheme,
Jaipur-302005

Ref.No. RFC/HO/FR-ARRC/Policy/Gen.77/96/1687

Dated:28.12. 2005

Circular
(ARRC No. -117)

Sub : Providing space/Godown of the units under Possession with RFC on rent to RSWC

Vide Circular ARRC No. 98 dated 27th April, 2005, BMs were advised to rent out the units/space of the units under possession to Rajasthan State Warehousing Corporation(RSWC), where units are not likely to be sold out within 3-4 months. It was also categorically mentioned that BMs may ensure that this arrangements with RSWC will not hamper the sale of units under possession in any manner and in case of renting out of any unit, due care regarding custody of plant & machinery be also taken. Draft of Lease Deed required to be executed between RFC and RSWC was circulated vide Circular ARRC No.102 dated 11.5.2005.

It is felt that RSWC may require space/godown/units on rent in coming months, therefore, it is desirable that BMs may contact officer concerned of RSWC so as to know their requirement with regard to taking space/godown/units on rent from the Corporation.

You are, therefore, advised to send details of the assets/units under possession which can be rented out to RSWC where there are no chances of disposal of such assets in coming 3-4 months. Such details be furnished after contacting officer concerned of RSWC. You should also revert back with the details of the assets/units which have already been rented out to RSWC and quantum of rent being received. Your reply should reach to DGM(ARRC) positively by 12th January, 2006.

(KARNI SINGH RATHORE)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No.RFC/FR- ARRC/1734

Dated : 4.1.2006

**CIRCULAR
(ARRC No. 118)**

Reg : **Sale of units having MRV of the assets upto Rs 20000/-.**

Few units having MRV of the assets upto Rs 20,000/- are under possession of the Corporation since a long time and even after attempting repeated auctions, such units could not be disposed off. Publishing NIT for auction of fixed assets invites substantial expenditure which is ultimately debited in the account of the loanee party.

The matter has been examined and it has been decided that NIT for sale of units/assets having MRV upto Rs 20,000/- may not be published in News Paper, s as to save expenditure. Following procedure for sale of such units/assets be adopted for disposal of the assets:

1. Name of such unit indicating item-wise MRV may be depicted alongwith date of auction on the Notice Board of the Branch Office concerned at least 15 days before the date of auction.
2. Pamphlets containing details of the assets/unit to be auctioned may be got printed and be distributed at local level through newspapers. These pamphlets may also be sent to Industrial Association of the District , District Industries Office, RIICO Ltd., Gram Panchayat / Panchayat Samiti concerned.
3. Fair price may be determined by the Branch officials so as to taking Conscious decision for disposal of the assets under possession.
4. Letters to bidders, who participated earlier in Auction Programme for purchase of assets f the unit, may be issued.
5. Original borrower may also be intimated through Registered A/D post 15 days before the date of auction enabling them to participate in the Auction Programme or to bring better offer for purchase of the assets being auctioned. While intimating the original promoter as mentioned, it should be made clear that if they do not participate in the Auction Programme or fail to bring higher offer alongwith keen-ness amount as per norms of the Corporation n the date of auction, the Corporation shall sell the unit/assets.

All concerned are advised to take a note of above of above and ensure expeditious disposal of units / assets having MRV upto Rs 20,000/-.

(KARNI SINGH RATHORE)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No. RFC/FR-ARRC/1844

Dated : 4.1. 2005
12

**CIRCULAR
(ARRC No. -119)**

Sub : Clarity regarding name of bidder/unit participating in Auction Programme

It has been noticed that at the time of submitting bid/offer by prospective buyer for purchase of assets of the unit under possession of the Corporation, the bid/offer is being submitted by the bidder either in his own name or in the name of firm/unit/company etc. but subsequently name of the firm/unit/company etc. is changed and the buyer proposes to execute conditional deed of conveyance in different name than the name of the unit/firm/company indicated while submitting offer/bid to the Corporation. As per norms, share of person/bidder who gives bid should be more than 50%.

Such type of change at later stage creates problem and causes delay in execution of legal documents. It is, therefore, enjoined upon filed offices that in order to remove confusion/ambiguity, person giving bid/offer in the auction programme should be made clear that the bidder should indicate exact name of the unit/firm/company if he is sure about the name of the unit/firm/company and if he is not sure about the name of the unit, in whose favour agreement to sell is to be executed, than he may give bid in his name or clearly indicate the name of person if bid/offer is being given on behalf of other person. It should be ensured that the person who is giving bid should have more than 50% share in the unit/firm/company.

(Karni Singh Rathore)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

Ref.No. RFC/HO/FR-ARRC/1926

Dated : 19th Jan., 2006

**CIRCULAR
(ARRC No. -120)**

Reg : Revision in terms and conditions of sale

Vide Circular ARRC No.114 dated 19.12.2005, a format of terms and conditions of sale was circulated. It has been observed that some of the units/assets under possession are being sold out on **CASH DOWN BASIS**, therefore, it is necessary to have a format of terms and conditions of sale in such cases.

Accordingly, a format of terms and conditions of Sale made on **Cash Down Basis** has been devised, which is appended herewith.

All concerned are advised to make a note of above and make use of the revised format.

**(Karni Singh Rathore)
Chairman & Managing Director**

Encl: As above

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No. RFC/FR-ARRC/1969

Dated : 27.1. 2006

**CIRCULAR
(ARRC No. -121)**

Reg : Appropriation of sale proceeds of collateral security between RFC and Departments of the State Govt.

References have been received from some of branch offices seeking a clarification whether sale proceeds received from disposal of collateral security should be apportioned between RFC and Deptts. of the State Govt. in the ratio of 70:30. The matter has been examined and it is found that sale proceeds received from disposal of the primary/fixed assets of industrial unit may only be apportioned. Accordingly, it is clarified that sale proceeds of collateral security or any other security except primary security/assets of industrial unit, shall not be apportioned in the ratio of 70:30 as per the State Govt. policy.

All concerned are advised to follow the above guidelines

(Karni Singh Rathore)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No. ARRC/2032

Dated : 04.02. 2006

6

**CIRCULAR
(ARRC No. -122)**

Reg : Holding meetings of Deficit Cases Review Committee

Attention is invited towards PG circular No. 452 dated 31.8.91 and circular no.ARRC-73 dated 14.8.03 directing to hold meeting of Deficit Case Review Committee (DCRC) once in a month under the Chairmanship of DGM(R) so as to review all deficit cases and decided a concrete line of action. The matter has been reviewed and observed that meeting of DCRC is not being conducted every month. Further, branches are not sending minutes of meetings to HO. A list of branches which have made no compliance with the said directions in the last quarter of the current financial year, is enclosed as Annexure 'A'. Reasons for not convening meeting may be informed to HO within seven days from issue of this circular.

Branch Managers are once again directed to ensure that meeting of the DCRC should take place every month under the chairmanship of DGM(R) and deficit cases, decretal cases and written off cases should be seriously discussed in the meeting and firm line of action in each case be decided and decision taken in the meeting should be monitored regularly by the BM and DGM(R). While discussing cases by the DCR, minutes be recorded in the prescribed formats, monitoring of the decision taken in the last meeting may be ensured. Soon after holding meeting, minutes be forwarded to DGM(ARRC) within three days.

All Branch Managers and DGM(R) are advised to ensure compliance of the above directions.

(Anand Kumar)
Executive Director

Encl: As above

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No.RFC/FR- ARRC/2056

Dated : 7.2.2006

**CIRCULAR
(ARRC No. 126)**

Reg : **Scheme for settlement of deficit/written off/decreetal cases above Rs 50000/- but upto Rs 2.00 lac 2005-06**

Attention is invited to ARRC Circular No.100 dated 2.5.05 regarding scheme for settlement of deficit/written-off /decreetal cases over Rs 50,000/- but upto Rs 2.00 lac. The circular provides that interested borrowers/guarantors can register their cases by depositing Rs 500/- as registration fee alongwith upfront amount equal to 20% of the deficit/written-off / decreetal amount.

It has been decided to reduce upfront fee equal to 15% of the principal sum of the deficit/written-off/decreetal amount instead of 20%.

All concerned are advised to take a note of above and ensure that majority of eligible cases are settled within the operative period of scheme.

(Karni Singh Rathore)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

Ref. RFC//FR-ARRC/183

Dated : 25.4. 2006

**CIRCULAR
(ARRC No. -129)**

Reg : Monthly information regarding deficit/decreetal/write-off cases

A major amount is involved in the deficit/decreetal/written off cases, which, in fact, requires close and proper monitoring. In this regard, all Branch Managers are advised to send monthly information relating to deficit/decreetal/written-off cases to HO in the closed format positively by 5th of every month.

(PURUSHOTTAM BIYANI)
General Manager(Dev.)

Encl: As above.

RAJASTHAN FINANCIAL CORPORATION
Head Office,
Udyog Bhawan, Tilak Marg, C-Scheme, Jaipur-302005
Ph. No.5106240-52

No.RFCHO//FR- ARRC/544

Dated : 16.06.2006

CIRCULAR
(ARRC No. 133)

Reg : **Providing Additional Fee to the Advocate in decreetal cases.**

In the number of cases the Corporation has obtained decree against the judgment debtors to recover the dues of the Corporation and the execution of decree takes a lot of time and cases are pending in the court since long and it is difficult for Corporation to go for attemptive method of recovery in those cases where court has issued decree. The Corporation is facing difficulty to execute the said decrees for one or more reasons.

To over come the above difficulties now it has been decided that in the cases where decree has been awarded by courts in favour of the Corporation and execution application filed before the Hon'ble Court after identifying properties of promoter(s), the Corporation may provide additional fee to the concerned Advocate. The additional fee would be 1% of the amount of recovery effected in the decree cases and would be restricted to Rs 10,000/- in any specific case and would be payable in those cases only where the advocate assures in advance that the decree would be got executed within a period of six months. Additional fee would be payable irrespective of facts whether in that case is made through execution of decree or by way of settlement under any specific scheme prevailing from time to time. This additional fee would be paid after the recovery is affected and in case recovery is to be effected in instalments, the additional fee to Advocate would also be paid in proportionate instalments.

All concerned are advised to take a note of above and make earnest efforts in consultation with concerned advocate in such cases to garner recovery from decreed cases and to motivate them for settlement of their loan account under OTS scheme.

(Karni Singh Rathore)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No.RFC/HO/FR- ARRC/550

Dated : 17.6.2006

**CIRCULAR
(ARRC No. 134)**

Reg : **Scheme for settlement of deficit cases, decreetal cases, & written off cases 2006-07**

Attention is invited to ARRC Circular No.124 dated 21.3.06 circulating scheme for deficit cases, decreetal cases & written-off cases 2006-07. As per the circular Distt. Level Empowered Settlement Committee (DLC) was authorised to settle the cases of principal deficit amount / decreetal amount / written off more than Rs 5.00 lac but upto Rs 10.00 lac irrespective of sacrifice amount. In the Branch Managers Conference held on 31.5.06 it was suggested that the DLC may be authorised to settle the case upto Rs 50.00 lac. Accordingly the matter was placed before the Board of Directors and it is decided that now DLC may settle the cases where principal outstanding amount, decreetal amount and written off amount is more than Rs 5.00 lac but upto Rs 50.00 lac irrespective of sacrifice amount. DLC has to decide the case within two months of registration otherwise that committee will become functus officio and case will be decided by the next higher committee, that will decide within one month.

It is also decided to extend duration of the scheme for registration upto 3.9.2006. Other norms & conditions of the scheme will remained unchanged.

All concerned are advised to take a note of above and make efforts to achieve maximum results of the scheme.

(Karni Singh Rathore)
Chairman & Managing Director

RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)

Ref: RFC/HO/FR-ARRC/Gen./581

Dated: 16.6.2006

CIRCULAR
(ARRC No.135)

Sub: Sale of units

It has been noticed that while conducting auctions, the participating bidders are not informed about the latest & current status of dues of RIICO as well as dues of Deptts. of State Govt. In absence of this information, it becomes difficult for the bidders to offer their competitive bids.

It is therefore, enjoined upon all branches that while conducting auction it should clearly be informed to the bidders about latest position of dues of RIICO and dues of other Departments of State Govt. as well as Central Govt. Departments. RIICO officials should also be pursued to remain present at the time of auction.

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

General Manager(Dev.)

RAJASTHAN FINANCIAL CORPORATION

Illustrative Example

Particulars				
A. Deficit cases:				
		ABX & Co.	ABY & Co.	ABZ & Co.
1.	Amount outstanding as on date of sale			
	a) Principal sum	10.00	10.00	10.00
	b) Interest	17.50	14.50	4.50
	c) Other money	0.50	0.50	0.50
	Total	28.00	25.00	15.00
2.	Sale amount	10.00	10.00	10.00
3.	Deficit amount after appropriation of sale consideration			
	a) Principal sum	10.00	10.00	10.00
	b) Interest	8.00	5.00	0
	c) Other money	0	0	0
	Total	18.00	15.00	5.00
4.	Reliefs as per scheme	8.00	5.00	1.00
5.	Amount recoverable as per scheme	10.00	10.00	4.00
B.	Written off / written back cases			
1.	Amount written off	5.00	5.00	5.00
2.	Amount written back	3.00	1.00	0.00
3.	Relief as per scheme	3.00	1.20	1.00
4.	Amount recoverable as per scheme	5.00	4.80	4.00

RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)

Ref: RFC/HO/FR-ARRC/Gen./716

Dated: 14.7.2006

CIRCULAR
(ARRC-138)

Reg: **Incentive Scheme for Identification of property of promoter(s) / Guarantor(s) of Deficit/Written-off/ Decretal Cases**

1. **OBJECT:**

The Corporation is seized with the problems of sticky and hard accounts where promoter(s)/guarantor(s) and their properties are not traceable. In order to trace their properties and initiate action for recovery against such properties, **it is decided to launch a scheme whereby Institutions / Societies / Individuals / Agencies/Gram Panchayat / Nagar Palika etc. who are interested to participate in this incentive scheme to identify the properties of such borrowers may get registered themselves with Branch Office and ask for specific case in which they intend to identify property.**

2. **ELIGIBILITY:**

All deficit/decretal/written-off cases having outstanding above Rs 10.00 lac as on 31.3.06 as per Corporation books, except following:

- i) Such cases already settled under OTS scheme and settlement package is still alive.
- ii) Such cases in which borrower has registered the case for settlement and case is still pending for decision.

Note:*Any other property which have been identified by the Corporation in past shall not be eligible for incentive for identification of property.*

3. **TASK INVOLVED:**

The Institutions / Societies / Individuals / Agencies / Gram Panchayat /Nagar Palika etc. registered with Branch Offices will be required to identify the properties of the promoter(s)/guarantor(s) in those cases which are indicated by Head Office to Branches from time to time, they will be eligible to recover

incentive if they identify and report about the property in cases assigned to them. The property so identified;

- a) should not be on the record of the Corporation.
- b) should not have been mortgaged to the Corporation.
- c) should belong to loanee / guarantor and should be free from all encumbrances.

If registered person / body withdraw his registration before completing the work assigned or not able to complete the given task within 3 months, the Branch Manager shall allot such cases to other party.

Note: Employees of the Corporation are debarred from the list of individual/agencies etc. who can be registered for identification of properties.

4. **QUANTUM OF INCENTIVE:**

Incentive will be 1% of the decretal amount / written off amount / principal sum + other money of deficit amount **OR** 1% of the value of the property identified which ever is less.

5. **ROLE OF BRANCH MANAGER**

- a) Branch Manager concerned will act as a Nodal Officer and a link between the Institutions/Societies/Individuals/Agencies / Gram .Panchayat / Nagar Palika etc. and the Corporation. He will register those persons / bodies who are interested to participate in this scheme and provide a list of units supplied by Head Office from time to time in which property is required to/ identified and assign particular case to registered persons / body for which he is interested to participate in the scheme. Prescribed format for application and allotting the case is annexed. After allotment details will be entered in a separate register for control & monitoring purposes. The incentive will be payable to the person / body who submits its information in prescribed time with details of property identified and Branch Manager is convinced that his information is true & correct and the properties so identified is marketable and mortgageable.

Branch Manager will;

- i. keep a list of units supplied by Head Office from time to time which are eligible for identification of property in this incentive scheme
- ii. register the person / body after obtaining the application in prescribed format.
- iii. allot the desired units to registered person / body as per their preference with first come first serve basis.
- iv. maintain register for incorporating information about the cases and to follow up and monitoring them regularly.
- v. accept the request from respective agency and to satisfy that the property so identified is marketable & mortgageable and also free from all encumbrances.
- vi. process the claim for incentive payable to agency.
- vii. take necessary action for filling claim U/s 32-G of SFC Act or to register case under settlement scheme if eligible against borrowers where property has been identified.

b) **CALCULATION OF MRV OF PROPERTY**

The MRV of property so identified shall be calculated by Corporation as per the existing norms.

6. **ADVERTISEMENT :**

To make the scheme popular, wide publicity shall be made through News Papers and RFC website inviting applications for identifying the properties. The interested parties after registration with Branch may get the list of the units from concerned Branch Office in which property identification is required.

7. **TIME PERIOD:**

The Institutions / Societies / Individual / Agencies / Gram Panchayat / Nagar Palika registered at Branch will be required to furnish details of properties so identified within a period of three months from the date of allotting them to unit for identification.

8. **HOW TO APPLY:**

The interested parties may contact Branch Office concerned and submit their application in prescribed format by paying a non refundable registration fee of Rs 50/- in cash or cheque and may procure the list of such units from Branch Office of RFC in which identification of properties are required.

9. **MISCELLANEOUS**

The list of units prepared on the basis of information received from branches for identification of property is enclosed as Annexure 'B'. In case any unit do not fulfill the eligibility criteria as per point No.2 of circular, the branch may exclude it. Branch Office will send monthly information for addition of new units to DGM(ARRC) who will circulate updated list from time to time.

The Corporation shall not undertake reimbursement of any expenses incurred by such agency for identification of property of units allotted to him and shall not be party to any act of it undertaken for identification of property.

All concerned are advised to take a note of above and make wide publicity of the scheme so that maximum results can be achieved. The progress of the scheme shall be reviewed by Head Office on monthly basis.

(Karni Singh Rathore)
Chairman & Managing Director

APPLICATION FORM UNDER SCHEME OF IDENTIFICATION OF PROPERTY

Passport
size photo

1. Name of Agency :
2. Address - Regd.Office :
- Br.Office (if any_ :
3. Telephone No. - (O) :
- (R) :
- (M) :
4. Name of Main promoter :
5. Date of incorporation :
6. Brief details of activity :
7. Details of Registration fee deposited :
Amount :
Cash/Cheque/DD :
Date :
8. Name of unit intended for identification of property:
 - i.
 - ii.
 - iii.
 - iv.
 - v.

Undertaking

I hereby undertake to register with RFC for identification of property of promoter/guarantor of units allotted to me. I shall not claim amount expenses incurred / to be incurred by me for the work of identification of property and incidental thereof. I further undertake that in the event of non completion of work in 3 months, the Corporation may allot such units to any other agency for identification of property.

Signature of applicant
with seal

9. For Office use:

Registration fee recd.	:	Date	Amount
Units Allotted			
i.			
ii.			
iii.			

Signature of Branch Manager.
/RFC/PG/1157

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

Ref: RFC/HO/FR-ARRC/Gen./77/786

Dated: 25.7.2006

27

**CIRCULAR
(ARRC-140)**

Reg: Sale of units under possession

Attention is drawn towards circular No.PG-1129 dated 5.11.05 (ARRC-112) whereby the provisions of PG Chapter ARRC-1 have been substituted in relation to sale of units under possession. In order to recycling the funds and to reduce NPAs, **it has been decided to substitute the clause No.2 of Section 36 and section 41 of PG regarding initial payment. Rate of interest to be applicable in sale cases has also been changed, which are as under:**

1. Initial Payment

S.No.	Particulars	Initial Payment
i.	Transport loan cases	100% of sale price (including payment already received)
ii.	All sale cases of P&M including movable assets (whether in rented premises or otherwise)	100% of sale price (including payment already received)
iii	Where sale consideration is upto Rs 5.00 lac	100% of sale price (including payment already received).
iv	Where sale consideration is above Rs. 5.00 lac	50% of sale price (including payment already received).

2. Interest Rate

a) It is also decided that on the deferred sale consideration, the rate of interest would be applicable @ 13% p.a. However, in case of timely repayment on due dates, 1% rebate in interest rate would be allowed.

(b) Liquidated damages: In case of default the penal interest will be charged as per the prevalent norms as follows:

	Loan		
	Upto Rs. 2.00 lac	Above Rs. 2.00 lac but not exceeding Rs 10.00 lac	Above Rs 10.00 lac
Liquidated damages	Nil	2%	3%

3. In certain cases where sale consideration is above Rs 5.00 lac, initial payment upto 100% on cash down basis can be decided at HO level while issuing NIT in the newspapers

Note: The above said guidelines / amendments in the PG would be effective from 1.9.2006.

All concerned are advised to make a note of above and make all out efforts for speedy disposal of units under possession in the current financial year.

(Karni Singh Rathore)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

Ref.No.RFC/HO/FR- ARRC/1193

Dated : 7.12.2006

**CIRCULAR
(ARRC No. 142)**

Reg : **Speedier Revival of units under possession in original hands.**

As per the provisions contained in the PG the original borrower is required to pay at least 25% of the amount outstanding (50% in case of transport loan) immediately and for the repayment of the balance dues a clear understanding is to be arrived at for handing over the possession back to the unit. To expedite disposal of such cases, it has been decided to reduce the amount required to be paid by the original borrower(s) from 25% to 15% of the amount outstanding (**except transport loan cases**) immediately and for repayment of the balance amount, a clear understanding is to be arrived at before handing over back possession of the unit. PDCs be taken for the balance dues. This modification in the norms shall **remain in force upto 31.01.2007**.

The other norms shall remain unchanged.

All concerned are advised to make a note of the above and make earnest efforts to achieve the best results so that maximum units under possession may be revived in original hands.

(B.N. Sharma)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

Ref.No.RFC/HO/FR- ARRC/1194

Dated : 7.12.2006

**CIRCULAR
(ARRC No. 143)**

Reg : **Sale of units taken into possession**

For expeditious disposal of units taken into possession prior to 1.4.06 and where more than 10 auctions have been attempted and loan sanctioned amount is upto Rs. 100.00 lacs, it has been decided that the Nodal Officer should be included as an observer in the quorum of the RO level Sale Committee and such committee shall have the powers to approve the bid received irrespective of the MRV, disbursement amount and earlier bids in case the said committee feels that no better offer can be fetched in future except joint finance cases. The delegation of powers shall be operative from 01.12.06 to 31.1.07.

The other norms shall remain unchanged.

All concerned are advised to make a note of the above and make earnest efforts to achieve best results so that all such units under possession may be disposed-off.

(B.N. Sharma)
Chairman & Managing Director

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No.RFC/HO/FR- ARRC/

Dated : 01.9.2007

**CIRCULAR
(ARRC No.154)**

To have uniformity in getting required information from the prospective purchasers of units available for sale, a bid / offer form has been prepared which is enclosed. Field Offices are advised to distribute it among prospective purchasers and accept the bid / offer in the prescribed format. The prescribed format is without any fee/charges. It is also to be clarified that generally efforts are to be made to get the bid / offer in the prescribed format but if any purchaser gives offer which is not in prescribed format should also be accepted and taken into consideration. Format is being prescribed to keep uniformity in offers received.

All concerned are required to take necessary action accordingly.

General Manager(Dev.)

Encl: Bid/Offer Form

Copy to :

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

Bid / Offer Form

RAJASTHAN FINANCIAL CORPORATION
HO/BO _____

1. Name of the bidder : _____
2. Address of bidder : _____

Phone No. _____
3. Bid for the assets of : M/s. _____

- Date of auction : Date _____
- Earnest money as prescribed : Rs. _____
4. Details of earnest money:
- i) Earnest money : Rs. _____
- ii) DD/Cash Receipt No. : _____
5. Bid amount for:
- i) Composite unit : Rs. _____
- ii) Only for land & building : Rs. _____
- iii) Only for plant & machinery : Rs. _____

We / I offer Rs. _____ for purchase of assets(indicated above) of above said unit on the terms & conditions as decided by the "Corporation" and on the basis of "**as is where is basis**". We / I have inspected the assets for which bid has been given. Our / My bid is on cash down / deferred payment basis.

Date : _____

Place : _____

Signature of bidder

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No.RFC/HO/FR- ARRC/

Dated : 6.9.2007

**CIRCULAR
(ARRC No. 155)**

Consequent upon closure of Regional Offices w.e.f. 1.8.07, sale committees needs to be reconstituted as well as delegation of power for approval of sale of units under possession is to be revised. The reconstitution of sale committees, quorum and delegation of powers shall be as under:

Branch Manager	Convenor
Representative of RIICO (not below the rank of ARM)	Member
Representative of Bank (not below the level of Officer)	Member
Representative of DIC (not below the rank of DIO	Member
DM(Tech.)	Member
Dealing Dy.Manager/Asstt.Manager	Member Secretary

Note: *Where Branch Manager is DGM, BO level committee will be empowered to approve sale in loan cases upto Rs. 1.00 crore and where Branch Manager is below the rank of DGM, committee will be empowered to approve sale in loan cases upto Rs. 50.00 lacs.*

Loan cases above Rs. 50.00 lac / Rs. 100.00 lac, company cases (under liquidation) & Joint Finance cases

ED	Chairman
GM(F)	Member
GM(D)	Member
DGM(L)	Member
Representative of participating institution in Joint finance cases	Member
Manager(Incharge-Law)	Member
DGM(ARRC)	Member Secretary

Quorum : **A)** In BO level sale committees, quorum will of 3 members. However, presence of one external member shall be necessary.

B) In HO level sale committee, quorum will be of 4 members.

Delegation of powers:

- 1) In the branches headed by Dy.Gen.Manager, the BO level sale cum negotiation committees in loan cases upto Rs 100.00 lacs and in the branches headed by Manager / Dy.Manager, the BO level sale cum negotiation committees in loan cases upto Rs 50.00 lacs shall have full powers for disposal of assets if offer is equal to or more than 80% of the MRV (including land, building and plant and machinery). This would also be applicable for disposal of part assets.
- 2) If the BO level sale committees find the sale proposal not acceptable as per the above delegation, they will not reject the offer but will refer these offers to HO with their detailed comments (format already prescribed vide Circular ARRC-147, dated 24.3.07) so that offerers may be called at HO and HO level sale cum negotiation committee may negotiate with them to fetch proper price.
- 3). The HO level sale committee shall have full powers.

Note :

- i) *The above delegation of powers shall cover all type of cases including hotel, tourism, transport, good borrowers, industrial units etc.*
- ii) *The committee shall approve the sale as per above delegation even if the bid received is less than the offer received earlier.*
- iii) *Since there is no counter sale scheme at present therefore committee for counter sale is abolished.*

The above guidelines shall replace section 20, 21 & 25 of P&G Chapter ARRC-1.

All concerned are advised to take needful action accordingly.

(B.N. Sharma)
Chairman & Managing Director

Copy to :

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

RFC/PG/1196/

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

No.RFC/HO/FR- ARRC/

Dated : 17.9.2007

**CIRCULAR
(ARRC No. 156)**

Delegation of powers for sale of assets were circulated vide PG Circular No.1192 (ARRC Circular -155) dated 6.9.07. Few branches are headed by Dy.Gen.Manager, therefore, in the BO level Sale Committee Branch Manager may be read as Branch Incharge. Also where Managers are posted in Branches headed by DGM, these Managers shall be Member Secretary of the Sale Committee.

All concerned are advised to make a note of above .

General Manager(Dev.)

Copy to :

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

**RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)**

Ref.No.RFC/HO/FR- ARRC/

Dated: 24.9.2007

**CIRCULAR
(ARRC No. 157)**

Sub: Amendment in the rate of interest applicable to deferred sale cases

Attention is invited to Point No.2-a of Circular No.PG-1157, dated 27.7.2006 (ARRC-140) and ARRC-146 dated 07.03.2007 containing provisions regarding sale of units under possession.

Looking to the present market factors etc. it has been decided to increase the rate of interest applicable to deferred sale cases from 14% p.a. to 14.5% p.a. Accordingly, Point No.2-a shall be read as under:

2. Interest Rate

a) *It is also decided that on the deferred sale consideration, the rate of interest would be applicable @ 14.5% p.a. However, in case of timely repayment on due dates, 1% rebate in interest rate would be allowed.*

The other provisions shall remain the same. The above amendments shall come into force from the date of issue of this circular.

All concerned are advised to make compliance of above guidelines.

(B.N. Sharma)
Chairman & Managing Director

Copy to :

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

RFC/PG/1216

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

Ref.No.RFC/HO/FR- ARRC/3177

Dated: 25 .1.2008

CIRCULAR
(ARRC No. 158)

Sub: HO level Sale cum Negotiation Committee

Constitution of HO level Sale cum Negotiation Committee was revised vide PG circular No.1192 dated 6.9.07(ARRC No.155). Consequent upon retirement of General Manager (Finance); HO level Sale cum Negotiation Committee has been reconstituted as below :-

Loan cases above Rs. 50.00 lac / Rs. 100.00 lac, company cases (under liquidation) & Joint Finance cases

Executive Director	Chairman
General Manager(Dev.)	Member
Advisor (Finance)	Member
DGM (Loans)	Member
DGM (F)	Member
Representative of participating Institution (in joint finance cases)	Member
Manager (Incharge-Law)	Member
DGM (ARRC)	Member Secretary

All concerned are advised to make a note of above.

(B.N. Sharma)
Chairman & Managing Director

Copy to :

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

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg, Jaipur-302005

Ref.No.RFC/HO/FR-ARRC/

Dated :25th Feb., 2008

CIRCULAR
(ARRC- 159)

Sub : Incomplete information/old MRV in respect of sale proposals being forwarded by the BOs to HO for approval

Vide ARRC Circular No.155 dated 6.9.07 it was enjoined upon all the BMs to forward sale proposal of those units to HO in which highest bid received is less than 80% of the MRV. The sale proposal was required to be forwarded in the prescribed format along with required enclosures as per ARRC Circular No.147 dated 24.3.07, but, of late, it has been observed that BOs are not following the instructions contained in above referred circulars in the right earnest.

Besides, Branches are forwarding the MRV of the assets which is more than one year old, while it should be present/current MRV. A new Circular No.RFC/MTC-81/182 dated 6.2.08 has also been issued recently regarding **“Procedure for calculation of Market Realisation Value (MRV) of land in respect of cases registered for settlement, sale of unit and other FR matters.”** It has also to be taken into account while calculating the present/current MRV.

It is, therefore, enjoined upon all the field offices to forward the sale proposal along with all required enclosures as per ARRC Circular No.147 dated 24.3.07 including present/current MRV calculation sheet incorporating the calculations as per latest circular dated 6.2.08 duly typed and signed by the concerned team (one officer of Technical discipline and one officer of Financial discipline). Non-compliance of the above instructions will be viewed seriously.

(Suman Kumar Vig)
General Manager (Development)

CC to : 1) All BOs / SOs.
2) Std. Circulation at HO
3) DGM(A&I)Central Zone-Ajmer
4) DGM(A&I) Western Zone-Jodhpur

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

Ref.No.RFC/HO/FR- ARRC/

Dated: 15.04.2010

CIRCULAR
(ARRC No. _____)

Sub: Proforma for Indemnity Bond for Refund of Surplus.

Attention is invited to ARRC Circular No. 164 dated 15.01.2009 regarding refund of surplus amount and furnishing indemnity bond by the original borrower.

Before release of surplus amount Branch Offices are required to ensure that payment of Govt. Department dues has been made as per prevailing norms under 70:30 policy.

A proforma for indemnity bond to be furnished by the original borrower before release of surplus amount has been drafted by HO Law Section which is enclosed herewith for all concerned to obtain indemnity bond in prescribed proforma.

All concerned are advised to make a note of above for compliance.

General Manager(Dev.)

Encl: As above

Copy to :

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

INDEMNITY BOND

This DEED OF INDEMNITY executed at Jaipur on this, day of2010 by :

Shri S/o , agedyears, residing at carrying on business under the name and style of M/s.....(which expression shall include his heirs, executors, administrators wherever the context or meaning shall so require or permit) hereinafter called the **“FIRST PARTY”**.

OR

M/s....., a Partnership firm consisting of the following partners:

- 1) Shri S/o agedyears, residing at
- 2) Shri S/o agedyears, residing at
- 3) Shri S/o agedyears, residing at
- 4) Shri S/o agedyears, residing at
- 5) Shri S/o agedyears, residing at

Constituted under the Deed of Partnership dated carrying on business under the name, style and firm M/s. Hereinafter called **“THE BORROWER”** (which expression shall include their respective heirs, executors, administrators and partner or partners for time being constituting the Borrowers’ firm or their respective successors and assigns wherever the context or meaning shall so require or permit) of the **“FIRST PARTY”**.

Contd.....(2)

OR

M/s., a Public/Private Limited Company incorporated and registered under the Companies Act, 1956 and having its Registered Office at (which expression shall include its successors and assigns wherever the context or meaning shall so require or permit) hereinafter called as **“FIRST PARTY”**

IN FAVOUR OF

Rajasthan Financial Corporation, a Corporation established under the State Financial Corporations Act, 1951 and having its Head Office at Udyog Bhawan, Tilak Marg, Jaipur and Branch Office at(which expression shall include its successors and assigns wherever the context or meaning shall so require or permit) hereinafter called the **‘SECOND PARTY’**.

WHEREAS the Second Party has granted a term loan of Rs...../- (Rupeesonly) to the first party M/s. for its industrial unit situated at

WHEREAS the first party has executed documents of mortgage/loan documents in favour of the Corporation in consideration of loan of Rs. (Rupees only).

WHEREAS the first party has failed to make the repayment of the instalment of above loan and interest to the second party and the second party has sold the fixed assets of the first party u/s 29 of the State Financial Corporations Act, 1951 in consideration of Rs. (Rupees only) to M/s. vide conditional Deed of Conveyance dt.

WHEREAS the fixed assets of the first party were sold in surplus amount and the first party has requested the second party to release the amount of surplus.

Contd.....3

WHEREAS on the request of the first party the second party has agreed to release the surplus amount i.e. Rs. (Rupees only) to the first party with the condition that the first party shall furnish an Indemnity Bond in favour of the second party so as to indemnify for any loss/cost or damage caused to the second party on account of payment of surplus amount.

WHEREAS the First Party has agreed to indemnify the Second Party against any loss/cost or damage that may be caused to the Second Party on account of payment of surplus amount.

NOW THIS DEED OF INDEMNITY WITNESSED as follows:

- 1) That the First Party do hereby agree and undertake to indemnify and keep indemnified the Second Party against any loss/cost or damage that may be caused to the Second Party on account of payment of surplus amount to the first party and the First Party also agreed to pay to the Second Party the entire amount of loss/cost or damages, if any caused to the second party.
- 2) That the First Party has agreed to execute all necessary documents in favour of Second Party to indemnify the Second Party from any loss/cost or damages in this regard as and when asked by the Second Party.

IN WITNESS WHERE OF THE FIRST PARTY has hereunto set and subscribed their hands at Jaipur on the day, month and year first hereinabove mentioned.

SIGNED AND DELIVERED
BY THE WITHIN NAMED
EXECUTENT FIRST PARTY

Shri
.....
S/o
Sole Proprietor of M/s.

for M/s.

Sole Proprietor
Contd...4

OR

SIGNED AND DELIVERED

for M/s.

.....
By the within named borrower
M/s.
by the hands of its partners

- | | |
|--------|---------------------------|
| 1. | For self as a partner and |
| duly | |
| 2. | Constituted attorney on |
| behalf | |
| 3. | of other partners of the |
| firm | |
| 4. | 1. |
| 5. | 2. |
| 6. | 3. |
| | 4. |
| | 5. |
| | Vide their Special Power |
| of | |
| | Attorney dated |

OR

IN WITNESS WHEREOF the First Party has caused its Common Seal to be hereinto affixed on the day, month and year first hereinabove written and Corporation have caused the same to be executed as hereinafter appearing.

The Common Seal of the FIRST PARTY M/s.
Pursuant to a resolution of Board of Directors of Company passed in that behalf on is hereunto affixed in the presence of Sh.
Shri....., Directors and Shri, Officer/
Secretary of the FIRST PARTY who have signed these presents in token thereof.

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

Ref.No.RFC/HO/FR- ARRC/Target-Sale/

Dated: 12.05.2010

CIRCULAR
(ARRC No. _____)

Sub: Targets for disposal of units under possession for the Financial year 2010-11

Targets for disposal of units under possession for the Financial Year 2010-11 are enclosed. The guiding principles are as follows:

- (i) All units under possession should be disposed of at the earliest.
- (ii) Minimum units should be taken in possession and the same be disposed of at the earliest. However, for cases wherein directions already exist to take action u/s 29/30 immediately on two defaults, possession of such units should be taken.

(G.S. Sandhu)
Chairman & Managing Director

Copy to :

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

RAJASTHAN FINANCIAL CORPORATION		
(FR-ARRC)		
Target for disposal of units under possession for the Financial Year 2010-11		
Sl.No.	Name of the Branch	Target for revival / disposal of units for the F.Y. 2010-11
1	AJMER	1
2	BEAWAR	1
3	BHILWARA	4
4	KISHANGARH	1
5	MAKRANA	3
6	ALWAR	1
7	BHARATPUR	2
8	BHIWADI	2
9	Neemrana	1
10	DHOLPUR	8
11	BIKANER	1
12	CHURU	1
13	HANUMAN GH.	1
14	NAGAUR	2
15	SGNR	1
16	DAUSA	3
17	JAIPUR-(City)	4
18	JAIPUR-(Sitapura)	1
19	JAIPUR (VKIA)	2
20	JAIPUR-(Rural)	2
21	JHUNJHUNU	2
22	SIKAR	6
23	TONK	3
24	ABU ROAD	2
25	BALOTRA	1
26	JAISALMER	1
27	JALORE	3
28	JODHPUR	5
29	PALI	4
30	JHALAWAR	1
31	KOTA	1
32	BARAN	2
33	S.MADHOPUR	2
34	BANSWARA	3
35	CHITTORGARH	1
36	RAJSAMAND	1
37	UDAIPUR	5
	Total	85

RAJASTHAN FINANCIAL CORPORATION
(ARRC SECTION)

Circular No.ARRC-176

Ref.No.RFC/ ARRC/2243

Dated: 26.7.2010

CIRCULAR

Sub: Package of Relief for the Woolen Industry of Bikaner

The woolen industry of Bikaner which had assumed the significant importance in the economy of the State on account of its high employment generation & earning of revenue in the form of Tax, Export Income etc. has been experiencing retardation in growth from last 2-3 years because of the reasons like worldwide recession, tough competition with other countries, working capital crisis etc.

The industry provides employment to nearly 2 lac people, thus in order to make such units capable of overcoming the danger of closure, to make them competitive and to take up the profitable venture the matter was placed before the Board in its meeting held on 30.6.2010, wherein the following relief package was approved for revival of woolen units located at Bikaner :-

- a. Reschedulement of individual units may be granted in such a manner so that their TUF benefits are not adversely effected, and if need be, the LDR may be extended upto 10 years since beginning.
- b. All the squared up accounts and the existing eligible units of woollen industry may be considered for replenishment of loan under Fast Track Loan Scheme on 1% lower interest rate than the rate being charged from other industries.
- c. The units which want to undertake expansion/ diversification/ quality improvement programmes may be considered for financing of additional fixed assets on 1% lower interest rate than the rate being charged from other industries, for a period of 10 years.
- d. Presently, the woollen processing units which have been granted reschedulement are not eligible for financing under any scheme of the Corporation. It has been decided that this rider of reschedulement may be removed and these units may be considered for financing under Saral/ FAAS by further allowing a timely payment rebate of 1%.

- e. For consideration of loan under Good Borrowers Schemes, the account of the loanee should remain in standard category for the last 3 years and balance sheet of the unit should depict increase in turn over and cash / net profits in the working of the unit. It has been decided that those woolen units which are maintaining standard accounts for the last 3 years but their balance sheets reflect erosion in net-worth of the promoters, decrease in sales turn over and net/ cash loss may also be considered eligible by relaxing the criteria for providing same benefits which are given to good borrowers.
- f. The need based working capital requirement of these units may be arranged through PNB/ SBBJ/other banks by the loanee himself for which Branch Manager,RFC would help to the loanee .

The package for reliefs to woolen industry shall be applicable till 31st March, 2013 and a special BP Camp shall be organized in the month of July, 2010 in order to extend the benefits to the maximum number of entrepreneurs.

All concerned are advised to take a note of above and make vide publicity of the package in order to fetch maximum business from this sector.

(G.S.Sandhu)
Chairman & Managing Director

Copy to:

1. Branch Managers/Sub Offices
2. Standard circulation at HO.
- 3.General Manager(A&I)Ajmer/Jodhpur.

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg, Jaipur

Ref.No.RFC/HO/FR- ARRC/

Dated: 27.08.2010

CIRCULAR
(ARRC No. 177)

Reg. Sale of units – Refund of surplus

Offers for plant & machinery only irrespective of sale value and for sale of composite unit (land, building and plant & machinery) up to Rs. 5.00 lac are accepted / considered only on cash down basis as per present policy **for sale of the unit under possession**. Surplus, if any, to original promoter is released on yearly basis after receipt of entire dues of RFC from the purchaser.

The matter was reviewed by the Board in its meeting held on 30.06.2010 and it has been decided that henceforth sale may be approved on **cash down basis only** as detailed below:

- (1) 50% of sale price (including 5% earnest money) may be deposited by the purchaser within 30 days from the date of issue of sale approval letter in all cases irrespective of loan sanctioned / disbursed / outstanding.
- (2) Further 25% amount may be deposited by the purchaser within next second month (within 60 days).
- (3) The remaining 25% amount may be deposited by the purchaser in next third month (within 90 days).
- (4) The entire 100% of sale consideration will be deposited by the purchaser within the 90 days from the issue of sale approval letter.
- (5) If purchaser does not deposit the 50% amount of sale consideration within 30 days from the date of issue of sale approval letter, the sale approval will automatically cancel and earnest money deposited will be forfeited by the Corporation and unit will be put for auction again as per norms.

Contd...2..

- (6) The execution of documents and taking over possession of the assets of the unit will be completed by the purchaser after depositing first 50% amount to the Corporation along with interest for delayed period, if applicable.
- (7) If purchaser does not deposit further 25% amount (i.e. after taking possession of purchased assets) within 60 days and final 25% amount within 90 days from the date of issue of sale approval letter, the Corporation will take the possession of the Property / assets of the unit back and will be put to auction again by the Corporation as per norms.
- (8) The CMD would be competent to extend further three months time in genuine cases to deposit the sale consideration in which interest will be paid by the purchaser as per norms for delayed period. Interest rate would be as applicable on new loan cases.
- (9) If purchaser fail to deposit sale price of the unit with the Corporation then the amount deposited by the purchaser will be refunded without interest (except earnest money) after receipt of request from the purchaser.

In no case, the period shall be extended further.

Refund of Surplus Amount

- (i) The surplus amount will be refunded on prorata basis to the original borrower as and when the Corporation recovers the amount from the purchaser .
- (ii) However, where the surplus amount is less then 20% of the sale value then 100% surplus amount shall be refunded after receipt of first 50% amount from the purchaser.

The procedure and guidelines stands revised as above and all concerned are advised to make a note of it.

(G.S. Sandhu)
Chairman & Managing Director

Copy to :

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

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg, Jaipur

Ref.No.RFC/HO/FR- ARRC/

Dated: 27.08.2010

CIRCULAR
(ARRC No. 178)

Reg. Interest for the Possession Period

As per the guidelines in force, no interest for the period of possession of unit is charged / debited if unit is sold in deficit. Interest in surplus sale cases is being debited. The matter was reviewed and it has been decided by the Board in its meeting held on 30.06.2010 that :

- A. In case delay in sale of assets is due to litigation or other reasons on the part of the borrower/original loanee, then interest for possession period may be charged in surplus sale cases.
- B. In other cases, interest for possession period may not be debited.
- C. It has also been decided that the cases already settled / decided will not be reopened
- D. Revised guidelines will be effective from the date of issue of circular.

Accordingly, a new para iii-A is added at ARRC Chapter-2 point No.5 as under:

“In case delay in sale of assets is due to litigation or other reasons on the part of the borrower/original loanee then interest for possession period may be charged in surplus sale cases.”

Likewise, (iv) at para No.9.1 in ARRC Chapter -2 is added as above.

All concerned are advised to make a note of above.

(G.S. Sandhu)
Chairman & Managing Director

Copy to :

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

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg, Jaipur

Ref.No.RFC/HO/FR- ARRC/

Dated: 12.01.2011

CIRCULAR
(ARRC No. 180)

Reg. Sale of units – Refund of surplus

The procedure about execution of documents - possession to the purchaser in case of sale of units under possession and refund of surplus was reviewed by the Board of Directors in its meeting dated 24.12.2010.

As per decision : -

- a. Point No. 6 of PG Circular No.1346 dated 31.08.2010 (ARRC No.177) is substituted as under:-

“The execution of documents / handing over possession of the assets of the units sold u/s 29 should be done only after receipt of entire sale price from the purchaser.”

- b. Point No. (i) & (ii) about refund of surplus are substituted as under:

“Action for release of surplus, if any, is to be taken on execution of documents in favour of the purchaser / handing over possession”.

Accordingly, all concerned are advised to make a note of it.

(G.S. Sandhu)
Chairman & Managing Director

Copy to :

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

RFC/PG/1364

**RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg, Jaipur**

Ref.No.RFC/HO/FR- ARRC/

Dated: 12.01.2011

**CIRCULAR
(ARRC No. 179)**

Reg. Interest for the possession period.

The matter about charging of interest for possession period was reviewed by the Board of Directors in its meeting dated 24.12.2010. As per decision - point No. 'A' of guidelines circulated vide PG Circular No.1346 dated 31.08.2010 (ARRC No.178) is substituted as under:-

"In case delay in sale of assets is due to litigation or other reasons on the part of the borrower / original loanee, then interest for possession period may be charged in surplus sale cases to the maximum extent of surplus".

All concerned are advised to make a note of it.

(G.S. Sandhu)
Chairman & Managing Director

Copy to :

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

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg, Jaipur

Ref.No.RFC/HO/FR- ARRC/

Dated: 20.01.2011

CIRCULAR
(ARRC No. 182)

Sub. Watch & ward arrangements – Theft of assets in units under possession & lodging of FIR

The matter regarding theft of assets in the units under possession was discussed by the Board in its meeting held on 24.12.2010 and it was decided that :-

- i. In deficit cases which comes later on for settlement under OTS, the deficit amount shall be reduced to the extent of market realizable value (MRV) of assets of which theft occurred during the possession of the Corporation.
- ii. Proper assessment of loss is to be ensured as well as accountability / responsibility should be fixed so as to compensate the loss.
- iii. Decision for OTS in such cases shall be taken by State level Committee

Accordingly, a para No.9.V (Recovery of deficit) is added in PG Chapter ARRC-2.

The Board also directed that :-

- a) The FIR should be lodged with the police for theft.
- b) The MRV of assets before theft and after theft should be calculated by the Technical Officer of the Corporation.
- c) The claim lodged with the Insurance Company and claim received may also be taken into consideration.
- d) If any security agency is engaged then the responsibility of the agency may also be examined for such theft and loss incurred.
- e) The entire such matter along with the amount of assets theft be established, processed and examined by the Branch Manager along with one officer of Branch Office concerned.
- f) Claims already settled will not be re-opened either from Insurance Company or from security agency / recovery of assets by the police.
- g) If there is any dispute, the CMD will be authority for taking a final decision.

Accordingly, a sub para at point No.9 (Lodging of FIR) is added in PG Chapter ARRC-1.

(G.S. Sandhu)
Chairman & Managing Director

Copy to :

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

RAJASTHAN FINANCIAL CORPORATION
Udyog Bhawan, Tilak Marg, Jaipur

Ref.No.RFC/HO/FR- ARRC/Gen.-77

Dated: 20.04.2011

CIRCULAR

(ARRC No. 183)

Sub. Sale of units-change in terms & conditions of auction

The existing policy on sale of units taken in possession by RFC, circulated vide PG Circular No. 1345 dated 31.08.10 & No. 1365 dated 17.01.11, providing for such sale on 100% cash down basis was reviewed by the Board of Directors in their meeting held on 29.03.2011. It was decided to modify / change in terms & conditions of sale / auction of assets taken over into possession u/s 29 as under :

S.No.	Particulars	Mode of Payment
i	a) All cases of Transport loan. b) All loan cases of sale of P&M, including movable assets (whether in rented premises or otherwise) c) Where obtained price is up to Rs. 25.00 lacs.	100% cash down basis only and the entire sale price is to be deposited as under : i) 50% of sale price (including earnest money already received) within 30 days of issue of sale approval letter. ii) Further 25% amount within next 2 nd month (within 60 days) iii) Remaining 25% in next 3 rd month (within 90 days).
ii	Where obtained price is above Rs. 25.00 lacs and up to Rs. 100.00 lacs.	On deferred payment basis : Amount is to be deposited as under : <ul style="list-style-type: none"> • 25% of sale price (including earnest money already received) is to be deposited within 15 days from the date of issue of sale approval letter. • remaining 75% amount shall be paid in 6 quarterly instalments after possession alongwith interest as applicable as per norms.

iii.	Where obtained price is above Rs. 100.00 lacs.	<p>On deferred payment basis: Amount is to be deposited as under :</p> <ul style="list-style-type: none"> • 25% of sale price (including earnest money already received) is to be deposited within 15 days from the date of issue of sale approval letter. • remaining 75% amount shall be paid in 12 quarterly instalments after possession alongwith interest as applicable as per norms
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All concerned are advised to make a note of above and make necessary amendments in Procedure & Guidelines.

(Pradeep Sen)
Chairman & Managing Director

Copy to :-

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

rfe

RFC/P&G/14.12/2012

RAJASTHAN FINANCIAL CORPORATION

HO: Udyog Bhawan, Tilak Marg, C-Scheme, Jaipur-302005

Ref.No. RFC/F.FR-ARRC/... *Gen-77/1300*

Dated: 28/02/2012

CIRCULAR (ARRC No. 184)

Sub: Withdrawal of condition regarding dues of Central Excise & Possession under the provisions of SARFAESI Act, 2002

Attention is invited towards circular No. RFC/ARRC/23/HO/111 dated 26.04.2008 (ARRC-160) vide which directions were issued to incorporate following condition as one of the terms & conditions for sale of assets of the units which are under possession of the Corporation:-

“प्रश्नागत इकाई के संबंध में सेन्ट्रल एक्साईज की बकाया (यदि कोई है तो) का भी भुगतान क्रेता को करना होगा।”

Recently, a new **Sec. 11E** has been inserted under the head of “**Liability under Act to be first charge**” in the Central Excise Act, 1994, according to which the provisions of SARFAESI Act, 2002 will supersede being first charge on the property of the assessee, hence looking to this legal position it has been decided :

- (i) to withdraw the above said condition with immediate effect from the terms & conditions prescribed for sale of assets of the units;
- (ii) that henceforth in the cases where possession is required to be taken to recover the dues of the Corporation but there are dues of Central Excise against the said unit, in such cases the Corporation should take possession of these units under the provisions of the SARFAESI Act, 2002 instead of the SFCs Act, 1951.

Other norms/guidelines will remain unchanged. The above correction/amendments may be incorporated in the PG at appropriate place.

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



(Yaduvendra Mathur)

Chairman & Managing Director

Copy to:-

1. All BOs/SOs
2. A&I, Jodhpur/Ajmer
3. Standard Circulation at HO

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-302 005
(RRM DIVISION)

Ref.No.RFC/ARRC/GEN-77/1332

Dated: 10-04-2012

CIRCULAR
(No.ARRC-185)

Sub: Reconstitution of Sale-cum-negotiation committees

Consequent upon re-organisation of various functional sections at HO and introduction of system of Operations, the Sale-cum-negotiation Committees were re-constituted vide P&G Circular 1404 dated 13.12.2011 and accordingly the DGMs (Operation) were made convenor of the BO level sale committee (empowered to approve sale in loan cases upto Rs.1.00 crore).

For attending the BO level sale committee meetings, DGM (Operations) are to undertake tours to the concerned branches that is not only administratively inconvenience but expensive also. Therefore, the matter was reviewed and decided to revise the constitution of BO level Sale-cum-negotiation Committee as under:

(A) Loan cases upto Rs.50.00 lac:

1.	Branch Manager / Branch In-charge	Convener
2.	Representative of concerned operations (not below the rank of DM)	Member
3.	Representative of RIICO (not below the rank of ARM)	Member
4.	Representative of Bank (not below the level of Officer)	Member
5.	Representative of DIC (not below the rank of DIO)	Member
6.	DM / AM (Tech)	Member
7.	Dealing DM/AM of Branch Office	Member

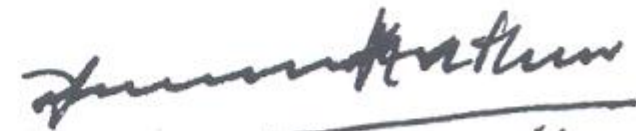
(B) Loan cases above Rs.50.00 lac and upto Rs.100.00 lac:

1.	Dy.Gen.Manager (Operation)	Convener
2.	Representative of RIICO (not below the rank of ARM)	Member
3.	Representative of Bank (not below the level of Officer)	Member
4.	Representative of DIC (not below the rank of DIO)	Member
5.	Branch Manager / Branch In-charge concerned	Member
6.	DM / AM (Tech)	Member
7.	Dealing DM/AM	Member

Quorum: Five (out of which presence of one external member shall be necessary).

The other provisions in regard to sale of units shall remain unchanged.

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



(Yaduvendra Mathur)

Chairman & Managing Director

Copy to:

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

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-302 005

(RRM DIVISION)

Ref.No.RFC/23FR/ARRC/GEN-77/ 1943

Dated : 24.07.2012

27

CIRCULAR
(ARRC - 186)

Re: Handing over possession of assets to the original promoters
in case of settlement of account

The matter regarding handing over of possession to the original promoters in settlement cases was discussed in the SLC meeting held on 28.06.2012 and after discussions, the committee has decided that in all cases of settlement where the unit is under possession, the possession may be handed over to the promoter after getting 25% of the net settlement amount and obtaining of PDCs for remaining settlement amount as per decision of the respective committee. However, in case of default in two consecutive installments as per settlement, possession may be taken again.

All concerned are advised to take a note of above and act accordingly and ensure that for remaining settlement amount the PDCs payable on 15th of each month or the date as specified in the settlement as the case may be invariably be taken by the Branch Manager.



(Yaduvendra Mathur)

CHAIRMAN & MANAGING DIRECTOR

Copy to:

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

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-302 005
(RRM DIVISION)

Ref.No.RFC/HO/FR-ARRC 1771/1308

Dated: 04.01.2013

10

CIRCULAR

(ARRC-187)

Reg:- Revival of units under possession in original hands.

As per the provisions contained in the PG, if the original borrower inclined to revive the unit, he is required to pay atleast 25% of the amount outstanding immediately and for the repayment of the balance dues, a clear understanding is to be arrived at for handing over the possession back to the borrower. To expedite speedy disposal of such cases, it has been decided to reduce the amount required to be paid by the original borrower(s) from 25% to 20% of the amount outstanding immediately and for repayment of the balance amount, a clear understanding is to be arrived at before handing over back possession of the unit. PDCs be taken for the balance dues. This modification in the norms shall remain in force only upto 31.03.2013.

The other norms shall remain unchanged.

All concerned are advised to make a note of above and make earnest efforts to achieve the best results so that maximum units under possession may be revived in original hands.


(Yaduvendra Mathur)

Chairman & Managing Director

Copy to:

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

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-302 005
(RRM DIVISION)

Ref.No.RFC/23FR/HO/Policy-77/1463

Dated: 14.03.2013

CIRCULAR
(RRRC-188)

Reg:- Reconstitution of HO level Sale-cum-Negotiation committee

The HO level Sale-cum-Negotiation committee was reconstituted vide PG Circular No.404 dated 13.12.2011. Due to re-organisation of various functional section heads, at HO, at present two officers are holding 5 posts i.e. ED (F), GM(D), DGM (FMD) and CPMD & RRMD respectively, hence some times it will become difficult to complete the quorum in the committee. Therefore the matter was reviewed and it was decided to include GM (A&I) and concerned DGM (Op.) as members in the above committee and accordingly the revised constitution would be as follows:

1	Executive Director	Chairman
2	General Manager (Dev./FMD)	Member
3	General Manager (Op)	Member
4	General Manager (A&I)	Member
5	DGM (Op) concerned	Member
6	Representative of participating FI (In Joint Finance Cases)	Member
7	DGM (Law)	Member
8	DGM (RRMD)	Member-Secretary

All concerned are advised to take a note of above.



(Yaduvendra Mathur)
Chairman & Managing Director

Copy to:

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

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-302 005
(RRM DIVISION)

Ref.No.RFC/RRMD/GEN-42A/ARRC-77/299

Dated: 19.09.2013

CIRCULAR
(ARRC-189)

Sub : Reduction in Earnest Money deposit in the auctions being conducted by RFC for sale of fixed assets of the units taken over into possession u/s 29

As per provisions contained in the Procedures & Guidelines (Chapter ARRC-1, point No.29) prescribed by the Corporation, the bidders/prospective purchasers are required to deposit earnest money @ 5% of MRV.

It has been observed that in the bigger cases where the MRV is very high, the quantum of earnest money is one of the significant reasons of non-response in the auctions conducted by the Corporation which leads to lack of opportunity for the Corporation for having competitive bidding to fetch fair price of the assets put to auction.


In view the above, the issue was further examined and it was decided that in order to maintain parity in norms, an agenda was placed before the Board in its meeting held on 29.08.2013. After detailed discussions, the Board has decided to revise the Earnest Money required to be deposited for participating in the auction as under:

S.No.	Particulars	Amount of earnest money
1.	MRV upto Rs.1.00 crore	5% of MRV
2.	MRV above Rs.1.00 crore upto Rs.5.00 crore	3% of MRV, but minimum Rs.5.00 lac
3.	MRV above Rs.5.00 crore upto Rs.10.00 crore	2% of MRV, but minimum Rs.15.00 lac
4.	MRV more than Rs.10.00 crore	1% of MRV, but minimum Rs.20.00 lac

The condition regarding deposition of initial deposit of 5% of the final bid amount (including EMD already deposited) by the highest bidder on conclusion of auction (as per provisions contained in PG Circular No.1129 dated 05.11.2005 - Annexure-A) shall remain unchanged.

The revised rates of EMD will be in force for the sale notice being issued upto 31.03.2014 and will be reviewed after 31.03.2014.

All concerned are advised to take a note of above.


(Yaduvendra Mathur) 19/9
Chairman & Managing Director

Copy to:

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

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-302 005
(RRM DIVISION)

Ref.No.RFC/23FR/HO/Policy-771 354

Dated: 07.11.2013

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CIRCULAR
(ARRC- 190)

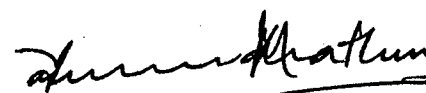
Re: Constitution of HO level Sale-cum-Negotiation committee

Consequent upon posting of Executive Director (Finance), the constitution of HO level Sale-cum-Negotiation committee reconstituted vide PG Circular No.1438 (ARRC-188) dated 14.03.2013 is hereby revised by inducting ED (F) and now the constitution of the committee would be as follows:

1	Executive Director	Chairman
2	Executive Director (F)	Member
3	General Manager (Dev./FMD)	Member
4	General Manager (Op)	Member
5	General Manager (A&I)	Member
6	DGM (Op) concerned	Member
7	Representative of participating FI (In Joint Finance Cases)	Member
8	DGM (Law)	Member
9	DGM (RRMD)	Member-Secretary

The quorum of the committee would be five.

All concerned are advised to take a note of above.



(Yaduvendra Mathur)

Chairman & Managing Director

Copy to:

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RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur -302 005
(CREDIT POLICY MANAGEMENT DIVISION)

Ref. No. RFC/ARRC/Gen.1771 507

Dated: 16.04.2014

22

CIRCULAR
(ARRC No. 192)

Sub: Reduction in Earnest Money

Attention is drawn to PG circular NO.1449 dated 19.09.2013 vide which rates of earnest money to be paid by the prospective buyers were revised. The Board while considering in the revision of EM has allowed the applicability of the rates for the sale notice issued up to 31.03.2014.

The matter has been again examined and in view of the positive response, it has been decided to extend the time limit mentioned in PG circular No. 1449 dated 19.09.2013 up to 31.03.2015. However, the norms for initial deposit for the final bid as per PG circular No. 1129 dated 05.11.2005 shall remain unchanged.

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


16/4/14
(Madhusudan Sharma)
MANAGING DIRECTOR

sCopy to:

1. All BOs/SOs
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4. Standard circulation at HO.



राजस्थान वित्त निगम

Head Office: Udyog Bhawan

Tilak Marg, Jaipur-302 005

Phone : 2385522 / 2385517

E-mail: info@rfc.rajasthan.gov.in

Ref.No.RFC/RRMD/ARRC/Gen-77/587

Dated: 08.07.2014

CIRCULAR

(ARRC - 193)

Sub: Follow up of procedure while taking over the units

Instances have come to the notice that some Branch Offices are not following the procedures and guidelines prescribed in the PG while taking over the assets financed by the Corporation. Further, NITs are also not being send to HO for publication in time, which leads to delay in publication of NIT.

You are, therefore advised to strictly follow the guidelines prescribed for taking over the assets of the units financed by the Corporation and send the NITs within the time prescribed.

(R.P. Meena)

General Manager (Ops)

Copy to:

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

RAJASTHAN FINANCIAL CORPORATION

Udyog Bhawan, Tilak Marg, Jaipur-302 005
(RRM DIVISION)

Ref.No.RFC/23FR/ARRC-119/648 /

Dated: 11-09-2014
12

CIRCULAR
(ARRC-194)

Possession not taken by the borrowers after OTS

While reviewing the units under possession as on 30.06.2014 in the review meeting held on 12.08.14, it was observed that in some cases settlement has been reached and settlement amount also deposited by the borrowers, but possession not taken back. Therefore, it was decided that while settling the account, an undertaking may be taken from the borrowers that the amount deposited by him may be kept in sundry deposit account till payment of final settlement and the same may be adjusted in the loan account only after taking over the possession of the unit by the loanee.

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


(Madhusudan Sharma)
MANAGING DIRECTOR

Copy to:

1. All BO/SO Offices
2. All DGM (Operations)
3. A&I, Ajmer/Jodhpur.
4. Standard Circulation at HO.
5. To hoist on RFC Website pl. to Managers (computers)