

RAJASTHAN FINANCIAL CORPORATION
(FR-ARRC)

Udyog Bhawan, Tilak Marg
Jaipur - 302 005

No.RFC/FR-ARRC/ 660

14th September, 2005

CIRCULAR
(ARRC No. 111)

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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 observance/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-à-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

cc.to:

1. GM(WZ), Jodhpur, DGM(A&I), WZ, Ajmer
2. All ROs / BOs / SOs.
3. All Nodal Officer to review the progress during their visit.
4. Standard circulation at HO.