

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-183)

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.

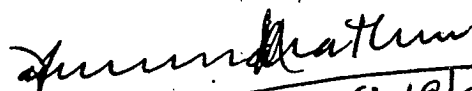
In view the above, the issue was further examined and it was decided that in order to maintain parity in norms, an agenda was placed before the Board in its meeting held on 29.08.2013. After detailed discussions, the Board has decided to revise the Earnest Money required to be deposited for participating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

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1. All BOs / SOs
2. A&I, Ajmer/Jodhpur
3. All DGM (Operations)
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