

**RAJASTHAN FINANCIAL CORPORATION
(ARRC)**

No. RFC/ARRC/Deficit/Gen-77 - 137

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:**
- 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.
 - 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.
- ii) **Delegation of authority:** 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.

Branch Manager	-	Convenor
Representative of RIICO (not below the rank of ARM)	-	Member

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.

Copy to :

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

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.