

RAJASTHAN FINANCIAL CORPORATION

Head Office:
Udyog Bhawan,
Tilak Marg,
JAIPUR.

Ref.No.RFC/F./HO/

Dated: 29.01.2007

(ARRC Circular No.144)

Sub:- INITIATION OF RECOVERY ACTION BY THE CORPORATION UNDER THE PROVISIONS OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002.

Mounting NPAs has been a cause of concern to banks & financial institutions as they have to –

- (i) maintain capital at the prescribed level to comply with the capital adequacy norms.
- (ii) Continue incurring costs to serve the funds blocked in NPAs and
- (iii) Bear the loss of opportunity to lend these funds.

The Govt. of India sharing these concerns of banks/financial institutions has promulgated Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter called as “**the SARFAESI Act,2002**”) and also notified the Security Interest (Enforcement) Rules, 2002 which prescribe the measures of exercising of rights of secured creditors under the said Act. The Act came into force w.e.f. 21st June, 2002.

The RFC has been initiating recovery action under the provisions of SFC’s Act, 1951 and General Laws but it has been facing the problem in recovering its dues in the cases where the references are pending

// 2 //

before BIFR/AAIFR. As per provisions of section 22 of the Sick Industrial Companies (special provisions) Act, 1985 the recovery proceedings under the provisions of SFCs Act are automatically stayed if the matter is referred to the BIFR/AAIFR.

Since now the provisions of the SARFAESI Act, 2002 are also applicable upon the financial institutions including SFCs and according to the provisions of the said Act any security interest, created in favour of any secured creditor, can be enforced without the intervention of the Court or Tribunal. On account of applicability of the provisions of SARFAESI Act, 2002 to the Banks & Financial Institution, RFC being a Financial Institution, may opt the Measures provided u/s 13(4) of the SARFAESI Act, 2002 (Supra) to recover its dues in cases where the assets have been classified as **NPA** as per the prescribed guidelines of the RBI and references are pending before BIFR/AAIFR because by opting the recovery action under the SARFAESI Act, 2002, the references pending before BIFR/AAIFR automatically stand abated merely on filing the application by the Secured Creditors before BIFR/AAIFR representing not less than 3/4th in value of the amount outstanding against financial assistance disbursed to the borrower of such secured creditors if they have taken any measures to recover their secured debts under sub-section (4) of section 13 of the Act.

Section 13 (4) of the Act is re-produced below:-

- (4) In case the borrower fails to discharge his liability in full within the notice period of 60 days specified in sub-section 13 (2), the secured creditor may take recourse to one or more of the following measures to recover his secured debt, namely:-
 - (a) To take possession of the secured assets of the borrower including the right to transfer by way of lease, assignment or sale for realizing the secured asset;
 - (b) To take over the management of the business of the borrower including the right to transfer by way of lease, assignment or sale and realizing the secured asset;

// 3 //

Provided that the right to transfer by way of lease, assignment or sale shall be exercised only where the substantial part of the business of the borrower is held as security for the debt;

Provided further that where the management of whole of the business or part of the business is severable, the secured creditor shall take over the management of such business of the borrower which is relatable to the security for the debt.)

- (c) To appoint any person (hereafter referred to as the manager), to manage the secured assets the possession of which has been taken over by the secured creditor;
- (d) require at any time by notice in writing, any person who has acquired any of the secured assets from the borrower and from whom any money is due or may become due to the borrower, to pay the secured creditor, so much of the money as is sufficient to pay the secured debt.

By virtue of Section 41 of the SARFAESI Act, 2002, Section 15(1) of the Sick Industrial Companies (Special Provision) Act, 1985 has been amended by inserting the following provisions :-

“Provided further that no reference shall be made to the Board for Industrial and Financial Reconstruction after the commencement of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, where financial assets have been acquired by any securitization company or reconstruction company under sub-section (1) of Section 5 of that Act:

Provided also that on or after the commencement of the securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, where a reference is pending before the board for Industrial and Financial Reconstruction, the reference shall abate if the secured creditors, representing not less than $\frac{3}{4}$ in value of the amount outstanding against the financial assistance disbursed to the borrower of such secured creditors, have taken any measures to recover their secured debts under sub section 4 of section 13 of the act.”

To initiate recovery action under the provisions of SARFAESI Act, 2002 read with Security Interest (Enforcement) Rules, 2002 in addition to the remedies available under the provisions of SFC's Act, 1951 and General Laws, the Board vide its decision dated 15.01.2007 has decided to also initiate recovery action under the newly enacted SARFAESI Act, 2002 in the cases where references are pending before BIFR/AAIFR provided that in case of financing of a financial assets by more than one secured creditors, or joint financing of the financial assets by secured creditors, no secured creditor shall be entitled to exercise any or all of the rights conferred on him u/s. 13(4) unless exercise of such rights is agreed upon by the secured creditors representing not less than $\frac{3}{4}$ in value of the amount outstanding as on the record date. For the said purpose the Board has appointed all the officers not below the rank of Dy.Gen.Manager as "Authorized Officers" in conformity with the provisions of section 2 (a) of the Security Interest (Enforcement) Rules, 2002 and they are authorized to exercise rights and duties in conformity with the provisions of the SARFAESI Act, 2002 & Security Interest (Enforcement) Rules, 2002.

When the decision to invoke the provisions of section 13(4) of the SARFAESI Act, 2002 has been taken in any case, the following steps are required to be taken by the "Authorized Officer" concerned, in conformity with the provisions of Security Interest (Enforcement) Rules, 2002 (copy of which is hereby annexed and marked as Annexure 'A').

- (i) To issue Regd. A/D. Legal Notice u/s. 13(2) of SARFAESI Act, 2002 to the borrower/guarantor giving 60 days time as per enclosed format (Annexure SI-4 and SI-4A) & and ensure service thereof.
- (ii) To dispose off any representation received against legal notice from Borrower/Guarantor, if received before expiry of notice period, and communicate the decision in writing within one week time positively.
- (iii) In case of failure to receive amount called for within the notice period the Authorized Officer shall proceed to realize the amount as per procedure prescribed under Rule 4 of the Security Interest (Enforcement) Rules, 2002.

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- (iv) After taking possession of the assets the Authorised Officer shall obtain the estimated value of the assets from the 'Approved Valuer' as per Rule 5 of the Security Interest (Enforcement) Rules, 2002.
- (v) For sale of moveable assets the Authorized Officer shall take the action as per Rule 6 of the Security Interest (Enforcement) Rules, 2002.
- (vi) Where the secured asset is immovable property, the Authorised Officer shall take the action as per Rule 8 of the Security Interest (Enforcement) Rules, 2002.
- (vii) For the purpose of issue of sale certificate in the case of moveable assets, the Authorised Officer shall take the action as per Rule 7 of the Security Interest (Enforcement) Rules, 2002.
- (viii) For the sale of immovable assets, time of sale and delivery of possession the Authorised Officer shall take the action as per Rule 9 of the Security Interest (Enforcement) Rules, 2002.
- (ix) After exercising any of the measures u/s 13(14) of SARFAESI Act, 2002 necessary application is required to be filed before BIFR/AAIFR for abatement of proceedings pending before it. Such application is required to be filed by the Authorised Officer through OIC concerned / Law Section .

For deficit recovery an application will require to be moved in the competent court as per Rule 11 of the Security Interest (Enforcement) Rules, 2002.

Accordingly, the HO / ROs / BOs are advised to review all the cases where references are pending before BIFR / AAIFR and take further needful action as per above guidelines to enable the Corporation to reduce its NPA. Necessary formats for taking action under the

SARFAESI Act, 2002 read with Security Interest (Enforcement) Rules, 2002 at the level of "Authorised Officers" are being enclosed herewith. Appointment of Dy.General Manager(R) as "Authorised Officer" shall be made by H.O. on case to case basis.

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

(B.N.Sharma)
Chairman & Managing Director

Encl: As above.

Ref.No.RFC/F.....

Dated

.....
.....
.....

(Name & Address of the borrower
Who has created security interest)

Dear Sir,

Re: **Account No./credit facilities availed by**
M/s.

You, M/s. (Name and address of the
Borrower) have availed the following credit facilities:

Facility	Limit	Balance outstanding As on
1.		
2.		
3.		

Total:

Due to non-payment of installment/interest/principal debt, the account(s) has/have been classified as Non Performing Asset as per guidelines of the Corporation. We have demanded/recalled the entire outstanding together with interest and other charges due under the above facilities vide our letter dated

The amount due to the Corporation as onis Rs.
..... (Rupeesonly)
with further interest until payment in full (hereinafter referred to as
“secured debt”).

To secure the outstanding under the above said facilities, you have, inter alia, created security interest in respect of the following properties/assets:

Contd....2

: 2 :

Facility	Security (Give Details)
1.	
2.	
3.	

We hereby call upon you to pay the amount of Rs. (Rupeesonly) with further interest at the contracted rate until payment in full within 60 days (sixty days) from the date of this notice. In default, besides exercising other rights o the Corporation as available under Law, the Corporation is intending to exercise any or all of the powers as provided u/s 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as “the Act”). The details of the secured asset/s intended to be enforced by the Corporation, in the event of non-payment of secured debt by you are as under:-

- 1.
- 2.
- 3.

Please take notice that in terms of Sec. 13(13) of the said Act, you shall not, after receipt of this notice, transfer by way of sale, lease or otherwise (other than in the ordinary course of business) any of the secured assets above referred to, without prior written consent o the Corporation. You are also put on notice that any contravention of this

statutory injunction/restraint, as provided under the said Act, is an offence.

If for any reason, the secured assets are sold or leased out in the ordinary course of business, the sale proceeds or income realized shall be deposited/remitted with/to the Corporation. You will have to render proper account of such realization/income.

Contd...3

: 3 :

*We reserve our rights to enforce other secured assets.

Please comply with this demand under this notice and avoid all unpleasantness. In case of non-compliance, further needful action will be resorted to, holding you liable for all costs and consequences.

*This notice is issued without prejudice to the Corporation taking legal action before DRT/Court, as the case may be.

*This notice is issued without prejudice to the Corporation's rights in the suit/litigation pending before DRT/Court.

*Delete, if inapplicable.

Yours faithfully,

(Authorised Officer)

Copy to:

.....
.....
.....

Ref.No.RFC/F.....

Dated

.....
.....
.....

(Name & Address of the borrower
Who has created security interest)

Dear Sir,

Re: **Account No./credit facilities availed by**
M/s.

M/s. (Name and address of the
Borrower) have availed the following credit facilities:

Facility	Limit	Balance outstanding As on
1.		
2.		
3.		
<u>Total:</u>		

Due to non-payment of installment/interest/principal debt, the account(s) has/have been classified as Non Performing Asset as per guidelines of the Corporation. We have already demanded/recalled the entire outstanding together with interest and other charges due under the above facilities from the Borrower vide letter dated, copy of which has already been sent to you. We have invoked the guarantee vide letter dated

The amount due to the Corporation as onis Rs.
..... (Rupeesonly)

with further interest until payment in full (hereinafter referred to as “secured debt”).

Contd....2

: 2 :

To secure the outstanding under the above said facilities, you have, inter alia, created security interest in respect of the following properties/assets:

Facility	Security (Give Details)
1.	
2.	
3.	

We hereby call upon you to pay the amount of Rs. (Rupeesonly) with further interest on the contracted rate until payment in full within 60 days (sixty days) from the date of this notice. In default, besides exercising other rights of the Corporation as available under Law, the Corporation is intending to exercise any or all of the powers as provided u/s 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as “the Act”). The details of the secured asset/s intended to be enforced by the Corporation, in the event of non-payment of secured debt by you are as under:-

- 1.
- 2.
- 3.

Please take notice that in terms of Sec. 13(13) of the said Act, you shall not, after receipt of this notice, transfer by way of sale, lease or otherwise (other than in the ordinary course of business) any of the secured assets above referred to, without prior written consent of the Corporation. You are also put on notice that any contravention of this statutory injunction/restraint, as provided under the said Act, is an offence.

Contd...3

: 3 :

If for any reason, the secured assets are sold or leased out in the ordinary course of business, the sale proceeds or income realized shall be deposited/remitted with/to the Corporation. You will have to render proper account of such realization/income.

*We reserve our rights to enforce other secured assets.

Please comply with this demand under this notice and avoid all unpleasantness. In case of non-compliance, further needful action will be resorted to, holding you liable for all costs and consequences.

*This notice is issued without prejudice to the Corporation taking legal action before DRT/Court, as the case may be.

*This notice is issued without prejudice to the Corporation's rights in the suit/litigation pending before DRT/Court.

*Delete, if inapplicable.

Yours faithfully,
For Rajasthan Financial Corporation

(Authorised Officer)

Copy to:

.....

.....

.....

PANCHNAMA

WHEREAS We

S. No.	Name of Panch Father's/Husband Name	Address	Age	Occupation

The above mentioned Panchs on being called by Sh., the Authorised Officer of Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 were present at

We declare and state that the Authorised Officer, in exercise of powers u/s 13(4) of the said Act, today went to/entered the premises of Sh./ M/s.(borrower/guarantor/mortgagor) at and demanded the payment of the dues mentioned in the Demand Notice dated In respect of loan A/c bearing No.and on its non-payment has taken over possession of secured assets, as detailed in the inventory attached to this Panchmana between the hoursand in our presence.

Therefore, we solemnly, declare that the facts of the Panchnama mentioned herein are true & correct to the best of our observations & knowledge.

Name

Address

Signature

1.

2.

Date:

Time:

Drawn before me

Authorised Officer

SI-7C

PANCHNAMA

WHEREAS We

S. No.	Name of Panch Father's/Husband Name	Address	Age	Occupation

The above mentioned Panchs on being called by Sh., the Authorised Officer of Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 were present at

We declare and state that the Authorised Officer, in exercise of powers u/s 13(4) of the said Act, today went to/entered the premises of Sh./ M/s.(borrower/guarantor/mortgagor) at and demanded the payment of the dues mentioned in the Demand Notice dated In respect of loan A/c bearing No.and on its non-payment, has taken over possession of secured assets, as detailed in the inventory attached to this Panchmana between the hoursand in our presence.

We also hereby state that during take over of possession
.....

.....
.....
(give details of occurrence of incidents, if any)

Contd....2

: 2 :

Therefore, we solemnly, declare that the facts of the Panchnama mentioned herein are true & correct to the best of our observations & knowledge.

	<u>Name</u>	<u>Address</u>	<u>Signature</u>
1.			
2.			

Date:
Time:

Drawn before me

Authorised Officer

PANCHNAMA

WHEREAS We,

S. No.	Name of Panch Father's/Husband Name	Address	Age	Occupation

The above mentioned Panchs on being called by Sh., the Authorised Officer of Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 were present at

We declare and state that the Authorised Officer, in exercise of powers u/s 13(4) of the said Act, today went to/entered the premises of Sh./ M/s.(borrower/guarantor/mortgagor) at and demanded the payment of the dues mentioned in the Demand Notice datedin respect of loan A/c bearing No.and on its non-payment, proceeded to take over possession of secured assets, as detailed in the schedule hereunder between the hoursandM. andM. in our presence. There was hue and cry. The 'Authorised Officer' faced lot of resistance from the borrower/guarantor and borrower's guarantor's/mortgagor's We also hereby state that while trying to take over of possession

.....
.....
.....
(give details of the incidents)

: 2 :

The 'Authorised Officer' came to the conclusion that possession cannot be taken without use of force. Hence it is decided by the 'Authorised Officer' not to venture further but to seek the assistance of Magistrate, as per provisions of the Act.

Therefore, we solemnly, declare that the facts of the Panchnama mentioned herein are true & correct to the best of our observations & knowledge.

SCHEDULE OF ASSETS

<u>Name</u>	<u>Address</u>	<u>Signature</u>
1.		
2.		
Date:		
Time:		
		Drawn before me
		Authorised Officer

{(Rule 4(2))}

INVENTORY

Inventory of movable assets taken possession in Loan Account/s bearing No/s:.....

Inventory of movable properties taken possession of at the premises of Shri/M/s.....Plot No...../Gala No...../House No.....Street No.....of.....under Section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Security Interest (Enforcement) Rules, 2002 made thereunder, on this.....day of20... by Shri....., Authorised Officer of Rajasthan Financial Corporation under the said Act, between the hours.....and

S. No.	Description of Article/Assets	Estimated Value	Place where kept for safe custody (Name of the person, if necessary)

Panchs:

S.No.	Name & Address of Panch	Signature

Drawn by me today the 200..... atAM/PM.

Signature of Borrower/Representative:

**Signature of
Authorised Officer**

INVENTORY

Inventory of movable assets taken possession in Loan Account/s bearing No/s:.....

Inventory of movable properties taken possession of U/S 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Security Interest (Enforcement) Rules, 2002 made thereunder, on thisday of200... by Shri....., Authorised Officer of Rajasthan Financial Corporation under the said Act, between the hours.....and

S. No.	Description of Property	Name of Owner	Physical features/other aspects
	Plot/Shop/House No. Street No.		

Panchs:

S.No.	Name & Address of Panch	Signature

Drawn by me today the 200..... atAM/PM.

Signature of Borrower/Representative:

**Signature of
Authorised Officer**

Physical features/other aspects may relate to:

1. Whether the property is vacant/built up ?
2. Details of other structure, trees etc., if any, found on the land.
3. Details of items/other movable assets found in the premises.
4. If the premises taken in possession is found in locked position, the facts relating thereto with outer features of the premises

5. If the Corporation has put lock of its own, the facts relating thereto.

SI-10

**POSSESSION NOTICE
(For Immovable Property)**

Whereas

The undersigned being the Authorised Officer of the Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred u/s 13 read with the Security Interest (Enforcement) Rules, 2002, issued a demand notice dated calling upon the Borrower Sh. / M/s.

to repay the amount mentioned in the notice being Rs. (In wordsonly) within 60 days from the date of notice/date of receipt of the said notice.

The borrower having failed to repay the amount, notice is hereby given to the borrower and the public in general that the undersigned has taken possession of the property described hereinbelow in exercise of powers conferred on him/her u/s 13(4) of the said Act read with Rule 8 of the said Rules on this Day of of the year.

The borrower in particular and the public in general is hereby cautioned not to deal with the property and any dealings with the property will be subject to the charge of the Rajasthan Financial Corporation for an amount of Rs. and interest thereon.

.....

Description of immovable property

.....

All that part and parcel of the property consisting of Flat No./Plot No.in Survey No. / City or Town Survey No. Khasra No. within the registration sub-district and district.

Bounded:

On the North by :

On the South by :

On the East by :

On the West by :

.....

Date :

Place:

**Authorised Officer
Rajasthan Financial Corporation**

**SI-10A
(For Publication Purposes)**

**POSSESSION NOTICE
(For Immovable Property)**

Whereas

The undersigned being the Authorised Officer of the Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred u/s 13 read with the Security Interest (Enforcement) Rules, 2002, issued a demand notice/s on the dates mentioned against each account calling upon the respective borrower/s to repay the amount as mentioned against each account within 60 days from the date of notice(s)/date of receipt of the said notice(s).

The borrower/s having failed to repay the amount, notice is hereby given to the borrower/s and the public in general that the undersigned has taken possession of the property/ies described hereinbelow in exercise of powers conferred on him/her u/s 13(4) of the said Act read with Rule 8 of the said Rules on the dates mentioned against each account.

The borrower/s in particular and the public in general is hereby cautioned not to deal with the property/ies and any dealings with the property/ies will be subject to the charge of the Rajasthan Financial Corporation for the amounts and interest thereon.

S. No.	Name of the BO	Name of the A/c	Name of the borrower (Owner of the	Description of the property mortgaged	Date of demand notice	Date of possession notice	Amount out-standing as on
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			property)			affixed	date of demand notice
1							
2							
3							

Date :

Place:

**Authorised Officer
Rajasthan Financial Corporation**

**SI-10B
(For Publication Purposes)**

**POSSESSION NOTICE
(For Immovable Property)**

Whereas

Rajasthan Financial Corporation/ the Authorised Officer of the Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred u/s 13 read with the Security Interest (Enforcement) Rules, 2002, issued a demand notice/s on the dates mentioned against each account calling upon the respective borrower/s to repay the amount as mentioned against each account within 60 days from the date of notice(s)/date of receipt of the said notice(s).

The borrower/s having failed to repay the amount, notice is hereby given to the borrower/s and the public in general that the undersigned has taken possession of the property/ies described hereinbelow in exercise of powers conferred on him/her u/s 13(4) of the said Act read with Rule 8 of the said Rules on the dates mentioned against each account.

The borrower/s in particular and the public in general is hereby cautioned not to deal with the property/ies and any dealings with the property/ies will be subject to the charge of the Rajasthan Financial Corporation for the amounts and interest thereon.

S. No.	Name of the BO	Name of the A/c	Name Of the borrower (Owner of the property)	Description of the property mortgaged	Date of demand notice	Date of possession notice affixed	Amount outstanding as on date of demand notice	Name of the Authorised Officers
1								
2								
3								

Date :

Place:

Authorised Officer
Rajasthan Financial Corporation
SI-11

The Authorised Officer
Rajasthan Financial Corporation
BO:

Dear Sir,

**Appointment of Manager in respect of secured asset(s) taken
in possession by the Corporation as secured Creditor**

In exercise of powers u/s 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 the Corporation has taken possession of the secured asset/s, as detailed in the Schedule below..

In this connection please refer to the correspondence exchanged/discussions that took place for appointment of 'Manager' to manage the secured asset/s.

I/We concur with you for appointment of Sh./ M/s.
As 'Manager' to manage the secured asset/s.

SCHEDULE

Particulars of secured assets

Yours faithfully,

.....

(Borrower)

Place :

Date :

SI-13

**RAJASTHAN FINANCIAL CORPORATION
B.O.**

Ref.No.RFC/F.

Date

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

Dear Sir,

Sub: **Sale of Secured Assets**

The possession of the following secured assets was taken over by the Corporation on

The Corporation has decided to sell the said secured assets by auction/inviting tenders/calling for quotations/entering into private treaty on any date after 30 days from the date hereof.

This notice is sent to you for your information and cooperation for disposal of these secured assets at a reasonable sale price.

Thanking you,

Yours faithfully,

(.....)
Authorised Officer
Rajasthan Financial Corporation

{(Rule 7 (2))}
CERTIFICATE OF SALE
(For Movable Property)

Whereas

The undersigned being the Authorised Officer of the Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred under sub-sec. 4 and 12 of Sec. 13 read with Rule 7 of the Security Interest (Enforcement) Rules, 2002 has in consideration of the payment of Rs. (Rupees Only) sold on behalf of the Rajasthan Financial Corporation in favour of (purchaser), the following movable property secured in favour of the Rajasthan Financial Corporation by (the names of the borrowers) towards the financial facility(description) offered by/availed from Rajasthan Financial Corporation. The undersigned acknowledges the receipt of the sale price in full and hands over the delivery and possession of the items listed below.

Description of the movable property:

Date :

Place:

Authorised Officer
Rajasthan Financial Corporation

RECEIPT

Received with thanks from Shri/ M/s.
.....
.....(Give name and address) the
sum of Rs.(Rupeesonly)
being the sale price in full for sale of the following goods/assets.

.....
.....
(Give description of Goods/assets sold)

For **Rajasthan Financial Corporation**
(Secured Creditor)

To be signed across the revenue stamp of Re. 1/-

(Authorised Officer)

**{(Rule 9(6))
SALE CERTIFICATE
(For Immovable Property)}**

Whereas

The undersigned being the Authorised Officer of the Rajasthan Financial Corporation (secured creditor) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred u/s 13 read with the Security Interest (Enforcement) Rules, 2002, sold on behalf of the Rajasthan Financial Corporation in favour of
..... (purchaser), the immovable property shown in the schedule below secured in favour of the Rajasthan Financial Corporation by (the names of the borrowers) towards the financial facility
..... (description) offered by/availed from Rajasthan Financial Corporation. The undersigned acknowledged the receipt of the sale price viz. Rs. (Rupees only) in full and hands over the delivery and possession of the scheduled property.

The sale of scheduled property was made free from all encumbrances known to the secured creditor listed below (list I) on deposit of the money demanded by the undersigned.

The sale of scheduled property was made without freeing from encumbrances listed below (list II).

Description of immovable property

.....
All that part and parcel of the property consisting of Flat No./Plot No.in Survey No. / City or Town Survey No.
Khasra No.within the registration sub-district and district.

Bounded:

On the North by :

On the South by :
On the East by :
On the West by :

LIST 1

List of encumbrances freed from

<u>Encumbrances</u>	<u>Deposit made/amount adjusted</u>
1.	
2.	

LIST II

**List of encumbrances not freed from, and subject
to which sale made**

- 1.
- 2.

.....
Date :
Place:

**Authorised Officer
Rajasthan Financial Corporation**

RAJASTHAN FINANCIAL CORPORATION

TERMS & CONDITIONS OF THE AUCTION

Date :

Details of the secured assets to be sold

1. The person, taking part of the auction, will have to deposit Rs. (Rupees only) as Earnest Money Deposit (EMD).
2. Sale of secured asset will be on “as is where is” basis.
3. The Reserve Price* is Rs.
4. **25% of amount of the bid will have to be paid as initial deposit by the highest bidder at knock down time, otherwise his EMD will be forfeited. EMD paid will be adjusted against the initial payment.
5. Balance amount of the bid will have to be deposited within days after acceptance of the sale; otherwise his initial payment deposited will be forfeited.
6. The Authorised Officer will have the right to accept or reject any bid.
7. Highest bidder can deposit the whole amount at one time.
8. If the Borrower pays the amount due to the Corporation in full before the date of the sale, auction is liable to be discontinued.

: 2 :

We have read and understood the above terms & conditions of the auction and we accept the terms & conditions of the auction.

Signature of the participants taking part in the auction:

<u>S.No.</u>	<u>Name of the Bidder</u>	<u>Signature</u>
1.		
2.		
3.		
4.		
5.		
6.		

Drawn before me

(.....)
AUTHORISED OFFICER

Signature of members of consortium observing the auction.

<u>S.No.</u>	<u>Name</u>	<u>Signature</u>
1.		
2.		
3.		
4.		
5.		
6.		

.....
(* Fixation of reserve price is must in case of immovable assets)
(**The clause may need suitable amendment in case of sale of movable assets)

SI-20

BIO-DATA OF THE HIGHEST BIDDER IN AUCTION

1. Name :
2. Father's Name :
3. Age :
4. Address: PHONE NO.
(A) Permanent
(B) Postal
5. Present business activities:

Name of the Concern	Constitution of the Concern	Approximate investment	Share in profit/loss

6. Details of Immovable Properties :
Description Approx. market value

7. **Other Investment** **Value**
 - (a) Share/Securities :
 - (b) Fixed deposits :
 - (c) LIC :

- (d) Other investment :
- 8. Approximate net-worth :
- 9. Reference of two respectable persons :
- 10. Name of the Bankers :

SIGNATURE

SI-21

RAJASTHAN FINANCIAL CORPORATION
BO :

Ref.No.RFC/F..... Dated:

M/s./ Shri

Sub: Acceptance of bid of assets of M/s.
 Located at your bid/offer on

Dear Sirs/s,

With reference to above, we are pleased to inform you that your bid of Rs. for the purchase of assets, detailed in schedule hereunder of M/s. located at given by you during auction held on (Date) at (Place) is accepted by the Corporation on the following terms and conditions:-

1. The assets are being sold to you on “As is, where is” basis.
2. The sale price of the assets shall be Rs.

3. You will make% i.e. Rs.of the sale price as initial deposit immediately. Earnest Money Deposit (EMD) will be adjusted against the initial deposit.
4. The balance payment shall be made by you on or before
5. You will execute forthwith an agreement to sell. The possession of assets will be handed over only after payment of price.
6. In case the payment is not made as above said, please note that the Corporation shall be at liberty to forfeit the amount deposited by you (i.e. initial deposit) at the time of auction.

Contd....2

: 2 :

7. The acceptance of the sale is subject to confirmation by the Corporation as secured creditor.

You are requested to please contact our BOfor further necessary action in the matter and also to execute an agreement to sell.

Thanking you,

Yours faithfully,

**Authorised Officer
Rajasthan Financial Corporation**

Note: The format may require modifications depending upon the mode of sale or type of assets so.

FORMATS REQUIRED

UNDER

THE SARFAESI ACT,

2002

If the account relates to consortium/joint financing, it is necessary to get consent of consortium/other secured creditors. If consent is obtained, then include the following clause as last but one para:

“The secured creditors representing not less than 3/4th in value of amount outstanding have already given consent for exercise of the rights of the secured creditors as provided under the said Act.”

If the account relates to consortium/joint financing, it is necessary to get consent of consortium/other secured creditors. If consent is obtained, then include the following clause as last but one para:

“The secured creditors representing not less than 3/4th in value of amount outstanding have already given consent for exercise of the rights of the secured creditors as provided under the said Act.”

SUPPLEMENTARY AGREEMENT

This Supplementary Agreement is executed at on this
Day of

BETWEEN

M/s.(Give name, constitution and
address of the Borrower) (hereinafter referred to as “the Borrower which
term shall include its successors and assigns);

AND

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
hereinafter referred to as ‘THE CORPORATION’ (which expression shall
include its successors and assigns wherever the context or meaning shall so
require or permit).

WHEREAS the Borrower has availed, inter alia, the following facility/ies
from the Corporation:

WHEREAS the abovesaid facility/ies has/have been secured by the
following securities:

WHEREAS the Corporation, in terms of the provisions of the Securitisation
and Reconstruction of Financial Assets and Enforcement of Security
Interest Act, 2002 (SARFAESI ACT), has issued 60 days notice and also
have taken further steps in exercise of the powers given under the Act*.

(*Score out portion in italics, if not applicable)

Contd.....2

: 2 :

WHEREAS the borrower has since rectified the irregularity to the satisfaction of the Corporation.

WHEREAS the Borrower and the Corporation have agreed to continue the operations in the account as per terms and conditions hereinafter appearing.

NOW, THIS AGREEMENT WITNESSETH:

1. The Borrower agrees and acknowledges that the amount outstanding in respect of the abovesaid facility/ies, after adjustment of the amount already paid by the Borrower i.e. Rs. (Rupees only) on is as under:-

Facility	Amount
-----------------	---------------

2. The Corporation and the Borrower have agreed that the availment of the abovesaid facility be restored to the Borrower as per terms and conditions as already agreed upon as per Agreement/s datedwithout any changes or modifications/with modifications as under:-

a)

b)

3. The Corporation and the Borrower that 60 days notice earlier issued by the Corporation be treated as not having acted upon.

The Borrower confirms that the possession of the secured asset taken by the Corporation, has been restored back to him/them in good condition as was taken by the Corporation*.
(*Score out portion in italics, if not applicable)

Contd.....3

: 3 :

4. The borrower confirms the continuance of the security as before.
5. The Borrower agrees that all other terms and conditions as contained in the loan and security documents continue to be inforce and be binding, save and except those modified as above.
6. This Supplementary Agreement is in addition to the loan and security documents executed by the Borrower.

IN WITNEES WHEREOF, the parties hereto have signed these presents on the day, month and year abovementioned.

For

(BORROWER)

For Rajasthan Financial Corporation

(AUTHORISED SIGNATORY)

LETTER OF CONSENT/CONFIRMATION FROM GUARANTOR

(to be stamped as an agreement)

PLACE:.....

DATE:.....

The Branch Manager
Rajasthan Financial Corporation
Branch Office
.....

Dear Sir,

Reg: M/s.....(**Borrower**),
Facility.....**Account No**.....

The Borrower has been availing the credit facility/ies as abovesaid. The above credit facility/ies, inter alia, has/have been guaranteed by me/us. I/We have also secured the outstanding in respect of the above facility/ies by me/our guarantee dated.....and by mortgage/hypothecation of.....

The Corporation has issued demand notice, in terms of the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRFAESI ACT) and also has taken further steps in exercise of the powers under the said Act*.

(*Score out portion in italics, if not applicable)

The Borrower and I/We, as guarantors have rectified the irregularity.

Keeping in view the above, the Corporation has agreed to restore the operations in the Account/s. As such, the Borrower and the Corporation have entered into Supplementary Agreement/s dated..... I/We give consent to the arrangement as above said, as per the Supplementary Agreement/s dated.....

Contd....2

:2:

I/We agree that the Guarantee/s dated.....already executed by me/us will continue to be in force and binding on us. I/We agree that the Notice dated.....issued under SARFAESI ACT, 2002 is taken as not acted upon.

I/We confirm and acknowledge that the mortgage/hypothecation security, as created/executed by me/us continues to be in force and secures the above facility/ies availed/being availed by the Borrower.

Thanking you,

Yours faithfully,

GUARANTOR(S)

**RAJASTHAN FINANCIAL CORPORATION
BO.....**

DATE:.....

.....
.....
.....
(Name & Address of Borrower/
Guarantor/Mortgagor)

Dear Sir,

Reg: **A/c No. /Credit facilities availed
by M/s.**

Please refer to 60 day's notice dated issued u/s 13(2) of
Securitisation and Reconstruction of Financial Assets and Enforcement of
Security Interest Act, 2002.

The amount due to the Corporation as onis Rs.
(Rupees only) with further interest until payment
in full.

Despite the above notice, the amount due to the Corporation has not been
paid.

We have, therefore, decided to take possession of the secured asset, the
details of which were given in the said notice and are also given hereunder:-

1. (give details)

2.

You are hereby called upon to deliver possession of the secured assets above
detailed before, failing which I, the undersigned, as
'Authorised Officer' of Rajasthan Financial Corporation (secured creditor)

will take possession of the abovesaid secured assets on or after at any time betweenhours to hours.

Contd...2

: 2 :

We are also informing police authorities to depute their personnel on the date, time and place to avoid breach of peace or any untoward incident.

Please be informed that the possession will be taken at your risk and cost. Please be also further informed that after taking possession, necessary watch & ward arrangements will be made at your risk and cost. Insurance of the secured asset, if need be, will be done at your cost. Further action for sale of the secured assets will follow.

Yours faithfully,

(AUTHORISED OFFICER)
RAJASTHAN FINANCIAL CORPORATION

CC to the Superintendent of Police/Commissioner of Police. The possession of the secured asset will take place at on at any time between hours to hours. The above place is coming within the jurisdiction of Police Station. It is requested that the SHO of the Police Station may be directed to depute sufficient police personnel to maintain law and order and to avoid breach of peace or any untoward incident. If there is any change as to the date of possession, the same will be informed to your goodself.

CC to the SHO, Police Station with a request to make necessary arrangements for deputation of the police personnel.

RECORD OF AUCTION PROCEEDINGS OF SALE OF ASSETS

Auction Proceedings of Sale of Assets of
M/s.

Located at (Site)

Place of Auction Date of Auction

PART-A : DETAILS OF BID

S. No.	Name & Address of bidders	B I D S				Sign. of Bidders
		No. Amt.	No. Amt.	No. Amt.	No. Amt.	

Statement of second Highest Bidder :- I do not want to increase my bid from my last bid o Rs.

Sign. of Second Highest Bidder

PART – B: DECISION OF ATHORISED OFFICER

The three highest bids are as under:-

S.No.	Name of Bidder	Amt. of Bid	Bid No.
-------	----------------	-------------	---------

1.

2.

3.

Contd....2

: 2 :

The above bid is for the sale of assets(Description of asset).

The highest bid is for Rs. (Rs. only)
by Sh. S/o Sh.
Address for purchase of
the assets of above unit/property auctioned today (date)

This highest bid is decided for acceptance as being reasonable considering the position of assets and their present market realizable value.

OR

The highest bid is below the Reserve Price. Hence it is decided to cancel the auction.

(Signature of Authorised Officer)

Rajasthan Financial Corporation as secured creditor confirms the sale subject to payment of sale price in full.

For Rajasthan Financial Corporation
(Secured Creditor)

(Authorised Representative)

**We concur with the decision of Authorised Officer of PNB

S.No.	INSTITUTION NAME	DESIGNATION	SIGNATURE
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- 1.
- 2.
- 3.

**In case of charge ranking pari passu etc.

