

RAJASTHAN FINANCIAL CORPORATION
UDYOG BHAWAN, TILAK MARG,
JAIPUR
(TECHNICAL CELL)

Ref.No.RFC/MTC-81/16

Dated: 22-07-2010

CIRCULAR

Sub: Procedure for calculation of Market Realisable Value (MRV) of Land.

Attention is invited towards PG Circular No. 1089 dated 01/02.11.2004 vide which guidelines for computing MRV of prime security and collateral security were circulated. The methodology being adopted by the Corporation for computation of MRV was reviewed in detail and it has been decided to continue the prevailing guidelines for ascertaining the MRV for loan cases.

As the prevailing guidelines are based on the system of averaging the market rate as well as DLC rate, thus equal importance should be given in considering these values. It has been observed that although the field offices are enclosing a copy of the DLC rates/RIICO rates prevailing in the area but proper information is not mentioned about the basis being considered to ascertain the market rate prevailing in the area where the property is located. This results in misrepresentation of the MRV.

It is, therefore, directed that, any two (one government source is must) of the following sources may be contacted/tapped for ascertaining fair market rate of the land proposed to be offered as prime security/collateral security in the format given below :-

S.No	Source	Name & Tel. No. of the person contacted	Date & Times of visit	Market rate
a)	Purchaser/seller of recently transacted land in the area			
b)	Sub-Registrar's office for the actual sale transaction recently taken place			
c)	Any Govt. office/Panchayat office/Local or Revenue authorities situated in any nearby vicinity			
d)	Neighbours/promoters of nearby land/ industrial units			
e)	Rate realized in recent sales by the Corporation/RIICO			
f)	Real Estate Dealers in that area			
g)	Rate earlier considered by the empanelled valuer of the Corpn. if any.			
h)	Remarks			

P.T.O.

(2)

For the above quoted rates, supporting written document must be obtained and enclosed with the report.

It may be ensured that initially the MRV is computed by a team of two officers from Branch Office (atleast one from technical discipline). The Branch Manager should examine the MRV and if the market rate is more than three times of DLC/RIICO rate then the Branch Manager should counter check the MRV.

It should be further ensured by the Branch Manager that the duly filled aforesaid proforma is a part of the MRV computation sheet and has been enclosed in the file for branch level cases and is forwarded along with MRV computation sheet to CAS for HO level cases.

All concerned are advised to take a note of above & take action accordingly.

G. S. Sandhu

(G. S. SANDHU)
Chairman & Managing Director

PSB

Copy to:

- (i) All BOs/SOs
- (ii) DGM(A&I), Western zone and Central Zone .
- (iii) Standard circulation at HO