

**RAJASTHAN FINANCIAL CORPORATION  
(FR-ARRC)**

Ref: RFC/HO/FR-ARRC/Gen./

77/786

Dated: 25.7.2006

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**CIRCULAR  
(ARRC 140)**

**Reg: Sale of units under possession**

Attention is drawn towards circular No.PG-1129 dated 5.11.05 (ARRC-112) whereby the provisions of PG Chapter ARRC-1 have been substituted in relation to sale of units under possession. In order to recycling the funds and to reduce NPAs, it has been decided to substitute the clause No.2 of Section 36 and section 41 of PG regarding initial payment. Rate of interest to be applicable in sale cases has also been changed, which are as under:

**1. Initial Payment**

S.No.	Particulars	Initial Payment
i.	Transport loan cases	100% of sale price (including payment already received)
ii.	All sale cases of P&M including movable assets (whether in rented premises or otherwise)	100% of sale price (including payment already received)
iii	Where sale consideration is upto Rs 5.00 lac	100% of sale price (including payment already received).
iv	Where sale consideration is above Rs. 5.00 lac	50% of sale price (including payment already received).

Contd...

## 2. Interest Rate

a) It is also decided that on the deferred sale consideration, the rate of interest would be applicable @ 13% p.a. However, in case of timely repayment on due dates, 1% rebate in interest rate would be allowed.

(b) Liquidated damages: In case of default the penal interest will be charged as per the prevalent norms as follows:

	Loan		
	Upto Rs. 2.00 lac	Above Rs. 2.00 lac but not exceeding Rs 10.00 lac	Above Rs 10.00 lac
Liquidated damages	Nil	2%	3%

3. In certain cases where sale consideration is above Rs 5.00 lac, initial payment upto 100% on cash down basis can be decided at HO level while issuing NIT in the newspapers

**Note:** The above said guidelines / amendments in the PG would be effective from 1.9.2006.

All concerned are advised to make a note of above and make all out efforts for speedy disposal of units under possession in the current financial year.

  
( Karni Singh Rathore )  
Chairman & Managing Director

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