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 aff. staff
 Sr. Asst.
 6/6/2001

RFC/P&G/920/2001

RAJASTHAN FINANCIAL CORPORATION
(FINANCE SECTION)

Ref.No.RFC/F.8(1568)/303

Dated 29.05.2001

C I R C U L A R

Reg : **Delegation of powers for excess / saving and change in supplier(s) / specifications.**

Consequent upon the earlier delegation of powers in respect of disbursement of loans at branch offices level in all cases irrespective of loan amount, except Joint Finance cases, it has been felt to simplify the procedure for expeditious implementation of projects. The issue of delegation of powers for approval of excess / saving and change in supplier(s) / specifications of plant & machinery was discussed in detail in the Senior Officers Meeting (SOM) held on 4th December,2000, 29th January, 2001 and 19th February,2001.

It has been decided to further delegate the powers regarding excess / saving and change in supplier(s) etc..The following delegation of powers would be in supersession to all guidelines issued in this regard in the past :-

1. APPROVAL OF EXCESS / SAVING STATEMENT :

Competent authority	Internal excess / saving in cost of land / bldg. or P&M incl. MFA	Saving in cost of land, bldg. to excess cost of P&M incl. MFA	Saving in cost of P&M incl. MFA to excess cost of land / bldg.
Branch (Incharge)	20%	15%	5%
DGM(R) GM(F) HO / GM(Western Zone)	30%	25%	10%
CMD	Beyond above, except joint finance cases.		
	Joint Finance cases		

RFC

CHITTOGARH (Raj.)

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Recd by

Date

6-6-01

Note :-

- (i) Loan sanctioning authority will have powers to approve internal excess / savings upto 100% within the limit of sanctioning power.
- (ii) While approving the excess / savings, it should be ensured that changes do not affect the financial / technical viability of the project adversely.

(iii) Processing Fee: A request from the loanee party for considering Excess / Saving proposal in the enclosed format "A(i)/(ii)" may be taken alongwith the processing fee as under:

S.N.	Approving authority	Processing fee
1	Branch Incharge	Rs.200/-
2	Dy.Gen.Manager(R)	Rs.500/-
3	GM(F) HO / GM(Western Zone)/CMD	Rs.1000/-

2. APPROVAL FOR CHANGE IN SUPPLIER(S) & SPECIFICATIONS OF PLANT & MACHINERY :

S.No.	Competent Authority	Limits of Approval	
		Sanctioned loan amt. above Rs.30 lacs and upto 50 lacs	Sanctioned loan amt. above Rs.50 lacs
		Total value of changes should not exceed the following percentage of the total value of P&M inc. MFA.	
1	Branch (Incharge)	25%	20%
2	DGM (R)	40%	30%
3	GM(F) HO / GM(W.Z)	above 40%	50%
4.	CMD		Above 50%

Note :-

- (i) The changes in supplier(s) of P&M do not require approval provided the cost of such P&M do not exceed 40% of the cost of plant & machinery considered in the approved project.

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No fee to be charged*

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- (ii) While approving changes in supplier(s) / specifications of plant & machinery, it should be ensured that changes do not affect the technical feasibility of the project adversely.
- (iii) While approving the changes in supplier(s), circular No.O&M 431 dated 11.07.1997 may be kept in view.
- (iv) Loan sanctioning authority will have powers to approve changes upto 100% within the limit of sanctioning power in all loan cases including loan upto Rs.30.00 lacs.
- (v) Processing fee: A request from the loanee party for considering proposal for change in supplier(s) / specifications of P&M in the enclosed format "B" may be taken alongwith processing fee as under:

S.N.	Approving authority	Processing fee
1	Branch Incharge	Rs.200/-
2	Dy.Gen.Manager(R)	Rs.500/-
3	GM(F) / IO / GM(Western Zone)/CMD	Rs.1000/-

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No fee to be charged

The competent authority shall take an appropriate decision within 15 days from the date of receipt of the request for excess/saving, change in supplier(s) / specification of P&M from the loanee party. In event of rejection, the competent / disbursing authority would record clearly the reasons of rejection with full justifications on the file. The rejected/closed cases may be reopened on the request of the loanee party for reconsideration. In case, no request for reopening of the rejected/closed cases is received, 50% of the processing fee charged earlier may be refunded to the loanee party on its request.

All are advised to make a note of above for compliance.

(T. SRINIVASAN)

CHAIRMAN & MANAGING DIRECTOR

Encl : As above.
Copy to :-

- 1) All Branch Offices/Regional Office/Sub offices
- 2) Standard circulation at H.O.
- 3) General Manager(Western Zone), RFC, Jodhpur.
- 4) Dy.Gen.Manager(A&I), Western Zone, RFC, Ajmer.

REQUEST FOR APPROVAL OF EXCESS/SAVINGS STATEMENT OF P&M incld.MFA

FORMAT 'A' (H)

Name of Unit :

Location :

Product :

Loan sanctioned : Amount Rs. Date:

Loan disbursed so far : Amount Rs. upto (date).

Details of P&M/MFAs:

S. No.	Particulars of Machine as per scheme with specification	Cost as per scheme	Assessed value	Excess	Savings	Reasons	Accepted value
1	2	3	4	5	6	7	8

Signature of Loanee party

I/we further undertake that due to acquisition of above machine(s) from the above...

REQUEST FOR APPROVAL OF EXCESS/SAVINGS STATEMENT OF BUILDING

Name of Unit
 Location
 Product
 Loan sanctioned : Amount Rs. Date:
 Loan disbursed so far : Amount Rs. upto (date).

Details of Building:

S. No.	Particulars	Dimensions Area	Cost as per scheme	Assessed value	Excess	Savings	Reasons	Acceptable value
1	2	3	4	5	6	7	8	9
								10

Signature of Loanee party

REQUEST FOR APPROVAL OF CHANGE IN SUPPLIER(S)/SPECIFICATIONS OF PR/M/MFA

- 1) Name of Unit :
- 2) Location :
- 3) Product :
- 4) Loan sanctioned : Amount Rs. Date:
- 5) Loan disbursed so far : Amount Rs. upto Address/Name of Unit:

6) Details of Proposed changes:

Sl. No.	Description of proposed changes	Present Supplier		Proposed Supplier	
		Supplier	Cost	Supplier	Cost
1	Machineries / apartments / machinists as per approved scheme	3	4	5	6
2					7

Cont.

Signature of Loanee party
Cont.

7) Following papers/ information may invariably be enclosed with the request:

- 1) Original Quotation of machine(s) with make and specifications from proposed supplier(s)
- 2) Leaflet, Literature, catalogue of machine(s)
- 3) Details about reputation of proposed supplier along with justifications
- 4) List/Details of valued customers of such machine(s) supplied by the proposed supplier in past.
- 5) Copy of payment receipts of supplier, if any advances have already been made to proposed supplier.
- 6) Necessary papers / proof, in case such machine(s) supplied by the proposed supplier(s) have been financed by any financial institutions/banks/RFC in past
- 7) Undertaking from loanee party regarding change in supplier on non-judicial stamp paper of requisite amount. *[Format Buj]*

Ammeure B(1)

Undertaking

(to be taken on non-judicial stamp paper of requisite amount)

I/we son of shri aged years residing at prop./partner/director of M/S do hereby state that the selection of proposed supplier of machine(s) mentioned as below is /are on my /our choice for which I/We have submitted quotations/bills to Rajasthan Financial Corporation

S.N.	Particulars of machine(s)	supplier(s) with address
1		
2		
3		
4		

Without prejudice to the right of the Rajasthan Financial Corporation to reject any supplier of machine(s), I/we agree that in the selection of proposed supplier, RFC has not insisted upon me/us to purchase/acquire any of machine(s) from any specified supplier(s).

I/we further undertake that after purchase/acquisition of machine(s) from the proposed supplier(s), if any defects, deficiency, complaints are found before or after installation/erection or during operation/working of the same, I/we shall neither make any complaint to RFC nor make RFC as a party for removal / rectification /compensation of such defects/deficiencies of machine(s). It will be my/our sole liability to settle the issue with the supplier(s) as the same has been purchased / to be purchased on my/our selection from the above supplier(s)

I/we further undertake that due to acquisition of above machine(s) from the above suppliers, the technical feasibility and financial viability of project will not affect adversely.

Place.....

Date.....

For M/S

(Prop./partner/director)