

RAJASTHAN FINANCIAL CORPORATION
(CREDIT APPRAISAL SECTION)

Udyog Bhawan,
Tilak Marg,
JAIPUR-302 005.

Ref.No. RFC/ LA-12(61)/589

Dated : 15.07.2010

: PG CIRCULAR :
(LA No. 553)

Reg : Precautionary measures to be taken for financial assistance to CRE cases.

Attention is invited to P&G Circular No. 1304 dated 21.01.2010 on the subject cited above. The matter was discussed in the PC&CC meeting held on 05.07.2010 and it was decided that henceforth, the following additional precautionary measures shall be taken while considering financial assistance to CRE cases :-

1. Where land is allotted at concessional rate then before accepting the property clarification/information/ permission may be obtained from the lessor in respect of cost of land and to allow the corporation to mortgage the land with clear stipulation that in case of default the corporation can recover its dues by way of sale/transfer/lease out the said property without obtaining further permission of the lessor and without paying any extra amount to the lessor and if any amount is payable in respect of present rate minus concessional rate then it should be paid by the purchaser and not by the Corporation. ARRC and BMs may also comply with the same at the time of sale of such units under possession.
2. As per prevailing practice a condition shall invariably be stipulated in all such loan proposals that before disbursement of the loan, the borrower shall display a sign board at the site mentioning that the property is mortgaged to the Rajasthan Financial Corporation and before selling any part of the property/ flat NOC of RFC is necessary. However, BOs shall strictly follow FR Circular No. 600 dated 20.04.2010 issued in this regard. Case-wise

monitoring of cases may be made by FR Section on monthly basis.

3. In case the building is already constructed then during appraisal the borrower may be asked to submit details of sources of funds to ascertain that the building is not constructed with the financial assistance/loan of FIs/Banks etc. and not with the advance amount received against any sale agreement etc. Copy of bank statement of borrower and its promoters may also be obtained to check the position of funds during appraisal and disbursement. .
4. Prior to sanction of loan, Borrower/promoters shall be required to submit affidavit stating therein that the property in question is free from all encumbrances and they have not entered into an agreement with anyone in respect of said land and in respect of any part of constructed building and had not received any advance amount from anyone and the same status shall be maintained during currency of loan unless any written permission is taken from RFC.

Other norms/guidelines will remain unchanged.

All concerned are advised to take a note of above and ensure compliance of the same.

Sd/-

(G.S. SANDHU)

CHAIRMAN & MANAGING DIRECTOR

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