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

Ref.No.RFC/MTC-81/287

Dated : 21.09.2011
23

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. Further the guidelines for ascertaining fair market rate of land proposed for prime security/collateral security were issued vide O&M Circular No.700 dated 22.07.2010 vide which it was mandatory for obtaining one government source for ascertaining market rate of land.

It has been observed that branches are facing difficulty in getting supporting document from one mandatory government source about market rate of land. Therefore, the matter was placed before PC&CC and after detailed discussions it was decided that :-

1. The existing system of calculating MRV shall continue with the modification of dispensing with provision of obtaining proof for market rate of land from at least one government source (as required vide O&M Circular No.700 dated 22.07.2010).

2. Proposal for fixing maximum limit (ceiling) of MRV of land was also approved in multiple of DLC rates. The approved ceiling of MRV is as under :-

S.No.	Location	Ceiling for MRV of land
1	Jaipur, Jodhpur, Kota, Udaipur, Bikaner, Ajmer a) Commercial Land b) Residential fully Developed colonies* c) Residential non developed localities	 1.6 times of DLC rate 1.6 times of DLC rate 1.5 times of DLC rate
2	Other district headquarters except above and SDO headquarters a) Commercial Land b) Residential fully developed colonies* c) Residential non-developed localities	 1.5 times of DLC rate 1.5 times of DLC rate 1.4 times of DLC rate
3	Other than above mentioned headquarters a) Commercial Land b) Residential	 1.4 times of DLC rate 1.3 times of DLC rate
4	On National Highway (outside municipal limit)	1.4 times of DLC rate
5	On State Highway (outside municipal limit)	1.3 times of DLC rate
6	Other than Highways	Equal to DLC rate

7	Industrial Land in RIICO saturated and fast moving areas.**	1.6 times of RIICO/DLC rate whichever is higher.
8	Industrial Land in RIICO un-saturated and slow moving areas.***	1.4 times of RIICO/DLC rate whichever is lower.
9	Indl. Land outside RIICO area but availing infrastructure facilities of RIICO area.	
	a) Adjacent to saturated and fast moving area.	1.4 times of RIICO/DLC rate whichever is lower.
	b) Adjacent to un-saturated, slow moving areas.	1.2 times of RIICO/DLC rate whichever is lower.
	c) Isolated areas****	DLC rate of land.

The DLC rate to be taken for the above calculation should not be more than a year old. If the DLC in the area has not been revised during the past one year, due weightage of 10% for each year on the straight-line-method should be given.

In case market rate in the area is found less than DLC rate of land the market rate is to be considered alone for calculating the MRV of land.

***Fully developed colonies** : where all infrastructure facilities like road, · street lights, water, sewerage and power lines are available.

****Saturated and fast moving areas, specified by the Corporation for financing under FAAS and SARAL Scheme.

*****RIICO Industrial Areas other than saturated and fast moving areas.

******Erstwhile isolated areas as defined in the latest circular issued by the Corporation in this regard.

These guidelines are to be followed while considering financial assistance whereas for FR matters, existing guidelines circulated vide circular (MTC-81/182 dated 06.02.2008 and MTC-81/539 dated 25.01.2010) shall continued to be followed.

Guidelines circulated vide PG Circular No.1332 dated 21.06.2010 stands withdrawn.

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

(Yaduvendra Mathur)
Chairman & Managing Director

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