

RAJASTHAN FINANCIAL CORPORATION

Head Office:
Udyog Bhawan,
Tilak Marg,
JAIPUR.

Ref.No.RFC/F./HO/

Dated: 29.01.2007

31

(ARRC Circular No. 144)

Sub:- INITIATION OF RECOVERY ACTION BY THE CORPORATION UNDER THE PROVISIONS OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002.

Mounting NPAs has been a cause of concern to banks & financial institutions as they have to –

- (i) maintain capital at the prescribed level to comply with the capital adequacy norms.
- (ii) Continue incurring costs to serve the funds blocked in NPAs and
- (iii) Bear the loss of opportunity to lend these funds.

The Govt. of India sharing these concerns of banks/financial institutions has promulgated Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter called as “the SARFAESI Act, 2002”) and also notified the Security Interest (Enforcement) Rules, 2002 which prescribe the measures of exercising of rights of secured creditors under the said Act. The Act came into force w.e.f. 21st June, 2002.

The RFC has been initiating recovery action under the provisions of SFC's Act, 1951 and General Laws but it has been facing the problem in recovering its dues in the cases where the references are pending

Contd...2..

before BIFR/AAIFR. As per provisions of section 22 of the Sick Industrial Companies (special provisions) Act, 1985 the recovery proceedings under the provisions of SFCs Act are automatically stayed if the matter is referred to the BIFR/AAIFR.

Since now the provisions of the SARFAESI Act, 2002 are also applicable upon the financial institutions including SFCs and according to the provisions of the said Act any security interest, created in favour of any secured creditor, can be enforced without the intervention of the Court or Tribunal. On account of applicability of the provisions of SARFAESI Act, 2002 to the Banks & Financial Institution, RFC being a Financial Institution, may opt the Measures provided u/s 13(4) of the SARFAESI Act, 2002 (Supra) to recover its dues in cases where the assets have been classified as NPA as per the prescribed guidelines of the RBI and references are pending before BIFR/AAIFR because by opting the recovery action under the SARFAESI Act, 2002, the references pending before BIFR/AAIFR automatically stand abated merely on filing the application by the Secured Creditors before BIFR/AAIFR representing not less than 3/4th in value of the amount outstanding against financial assistance disbursed to the borrower of such secured creditors if they have taken any measures to recover their secured debts under sub-section (4) of section 13 of the Act.

Section 13 (4) of the Act is re-produced below:-

- (4) In case the borrower fails to discharge his liability in full within the notice period of 60 days specified in sub-section 13 (2), the secured creditor may take recourse to one or more of the following measures to recover his secured debt, namely:-
 - (a) To take possession of the secured assets of the borrower including the right to transfer by way of lease, assignment or sale for realizing the secured asset;
 - (b) To take over the management of the business of the borrower including the right to transfer by way of lease, assignment or sale and realizing the secured asset;

Contd...3...

Provided that the right to transfer by way of lease, assignment or sale shall be exercised only where the substantial part of the business of the borrower is held as security for the debt;

Provided further that where the management of whole of the business or part of the business is severable, the secured creditor shall take over the management of such business of the borrower which is relatable to the security for the debt.)

- (c) To appoint any person (hereafter referred to as the manager), to manage the secured assets the possession of which has been taken over by the secured creditor;
- (d) require at any time by notice in writing, any person who has acquired any of the secured assets from the borrower and from whom any money is due or may become due to the borrower, to pay the secured creditor, so much of the money as is sufficient to pay the secured debt.

By virtue of Section 41 of the SARFAESI Act, 2002, Section 15(1) of the Sick Industrial Companies (Special Provision) Act, 1985 has been amended by inserting the following provisions :-

“Provided further that no reference shall be made to the Board for Industrial and Financial Reconstruction after the commencement of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, where financial assets have been acquired by any securitization company or reconstruction company under sub-section (1) of Section 5 of that Act:

Provided also that on or after the commencement of the securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, where a reference is pending before the board for Industrial and Financial Reconstruction, the reference shall abate if the secured creditors, representing not less than $\frac{3}{4}$ in value of the amount outstanding against the financial assistance disbursed to the borrower of such secured creditors, have taken any measures to recover their secured debts under sub section 4 of section 13 of the act.”

Contd...4..

To initiate recovery action under the provisions of SARFAESI Act, 2002 read with Security Interest (Enforcement) Rules, 2002 in addition to the remedies available under the provisions of SFC's Act, 1951 and General Laws, the Board vide its decision dated 15.01.2007 has decided to also initiate recovery action under the newly enacted SARFAESI Act, 2002 in the cases where references are pending before BIFR/AAIFR provided that in case of financing of a financial assets by more than one secured creditors, or joint financing of the financial assets by secured creditors, no secured creditor shall be entitled to exercise any or all of the rights conferred on him u/s. 13(4) unless exercise of such rights is agreed upon by the secured creditors representing not less than $\frac{3}{4}$ in value of the amount outstanding as on the record date. For the said purpose the Board has appointed all the officers not below the rank of Dy.Gen.Manager as "Authorized Officers" in conformity with the provisions of section 2 (a) of the Security Interest (Enforcement) Rules, 2002 and they are authorized to exercise rights and duties in conformity with the provisions of the SARFAESI Act, 2002 & Security Interest (Enforcement) Rules, 2002.

When the decision to invoke the provisions of section 13(4) of the SARFAESI Act, 2002 has been taken in any case, the following steps are required to be taken by the "Authorized Officer" concerned, in conformity with the provisions of Security Interest (Enforcement) Rules, 2002 (copy of which is hereby annexed and marked as Annexure 'A').

- (i) To issue Regd. A/D. Legal Notice u/s. 13(2) of SARFAESI Act, 2002 to the borrower/guarantor giving 60 days time as per enclosed format (Annexure SI-4 and SI-4A) & and ensure service thereof.
- (ii) To dispose off any representation received against legal notice from Borrower/Guarantor, if received before expiry of notice period, and communicate the decision in writing within one week time positively.
- (iii) In case of failure to receive amount called for within the notice period the Authorized Officer shall proceed to realize the amount as per procedure prescribed under Rule 4 of the Security Interest (Enforcement) Rules, 2002.

Contd...5..

- (iv) After taking possession of the assets the Authorised Officer shall obtain the estimated value of the assets from the 'Approved Valuer' as per Rule 5 of the Security Interest (Enforcement) Rules, 2002.
- (v) For sale of moveable assets the Authorized Officer shall take the action as per Rule 6 of the Security Interest (Enforcement) Rules, 2002.
- (vi) Where the secured asset is immoveable property, the Authorised Officer shall take the action as per Rule 8 of the Security Interest (Enforcement) Rules, 2002.
- (vii) For the purpose of issue of sale certificate in the case of moveable assets, the Authorised Officer shall take the action as per Rule 7 of the Security Interest (Enforcement) Rules, 2002.
- (viii) For the sale of immovable assets, time of sale and delivery of possession the Authorised Officer shall take the action as per Rule 9 of the Security Interest (Enforcement) Rules, 2002.
- (ix) After exercising any of the measures u/s 13(14) of SARFAESI Act, 2002 necessary application is required to be filed before BIFR/AAIFR for abatement of proceedings pending before it. Such application is required to be filed by the Authorised Officer through OIC concerned / Law Section .

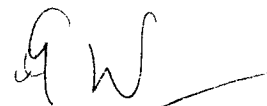
For deficit recovery an application will require to be moved in the competent court as per Rule 11 of the Security Interest (Enforcement) Rules, 2002.

Accordingly, the HO / ROs / BOs are advised to review all the cases where references are pending before BIFR / AAIFR and take further needful action as per above guidelines to enable the Corporation to reduce its NPA. Necessary formats for taking action under the

Contd...6.

SARFAESI Act, 2002 read with Security Interest (Enforcement) Rules, 2002 at the level of "Authorised Officers" are being enclosed herewith. Appointment of Dy.General Manager(R) as "Authorised Officer" shall be made by H.O. on case to case basis.

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



(B.N.Sharma)

Chairman & Managing Director

Encl: As above.

Copy to:

- (1) All ROs/BOs/SOs/
- (2) A&I, Western Zone, Ajmer.
- (3) Standard Circulation at HO.

CIRCULAR

THE SECURITY INTEREST (ENFORCEMENT) RULES, 2002¹

In exercise of the powers conferred by sub-section (1) and clause (b) of sub-section (2) of section 38 read with sub-sections (4), (10) and (12) of section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Ordinance, 2002 (Ord. 3 of 2002)², the Central Government hereby makes the following rules, namely:—

1. Short title and commencement.—(1) These rules may be called THE SECURITY INTEREST (ENFORCEMENT) RULES, 2002.

(2) They shall come into force from the date of their publication in the Official Gazette.

2. Definitions.—In these rules, unless the context otherwise requires,—

(a) "authorised officer" means an officer not less than a chief manager of a public sector bank or equivalent, as specified by the Board of Directors of Board of Trustees of the secured creditor or any other person or authority exercising powers of superintendence, direction and control of the business or affairs of the secured creditor, as the case may be, to exercise the rights of a secured creditor under the Ordinance;

(b) demand notice means the notice in writing issued by a secured creditor or authorised officer, as the case may be, to any borrower pursuant to sub-section (2) of section 13 of the Ordinance;

(c) "Ordinance" means the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Second) Ordinance, 2002 (Ord. 3 of 2002);

(d) "approved valuer" means a valuer as approved by the Board of Directors or Board of Trustees of the secured creditor, as the case may be;

(e) Words and expressions used and not defined in these rules but defined in the Ordinance shall have the meanings respectively assigned to them in the Ordinance.

3. Demand notice.—(1) The service of demand notice as referred to in sub-section (2) of section 13 of the Ordinance shall be made by delivering or transmitting at the place where the borrower or his agent, empowered to accept the notice or documents on behalf of the borrower, actually and voluntarily resides or carries on business or personally works for gain, by registered post with acknowledgement due, addressed to the borrower or his agent empowered to accept the service or by Speed Post or by courier or by any other means of transmission of documents like fax message or electronic mail service:

Provided that where authorised officer has reason to believe that the borrower or his agent is avoiding the service of the notice or that for any other reason, the service cannot be made as aforesaid, the service shall be effected by affixing a copy of the demand notice on the outer door or some other

1. Vide S.O. 1020(E), dated 20-9-2002.

2. Now see the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002).

conspicuous part of the house or building in which the borrower or his agent ordinarily resides or carries on business or personally works for gain and also by publishing the contents of the demand notice in two leading newspapers, one in vernacular language, having sufficient circulation in that locality.

(2) Where the borrower is a body corporate, the demand notice shall be served on the registered office or any of the branches of such body corporate as specified under sub-rule (1).

(3) Any other notice in writing to be served on the borrower or his agent by authorised officer, shall be served in the same manner as provided in this rule.

(4) Where there are more than one borrower, the demand notice shall be served on each borrower.

4. Procedure after issue of notice.—If the amount mentioned in the demand notice is not paid within the time specified therein, the authorised officer shall proceed to realise the amount by adopting any one or more of the measures specified in sub-section (4) of section 13 of the Ordinance for taking possession of movable property, namely:—

(1) Where the possession of the secured assets to be taken by the secured creditor are movable property in possession of the borrower, the authorised officer shall take possession of such movable property in the presence of two witnesses after Panchnama drawn and signed by the witnesses as nearly as possible in Appendix I to these rules.

(2) After taking possession under sub-rule (1) above, the authorised officer shall make or cause to be made an inventory of the property as nearly as possible in the form given in Appendix II to these rules and deliver or cause to be delivered, a copy of such inventory to the borrower or to any person entitled to receive on behalf of borrower.

(3) The authorised officer shall keep the property taken possession under sub-rule (1) either in his own custody or in the custody of any person authorised or appointed by him, who shall take as much care of the property in his custody as owner of ordinary prudence would, under the similar circumstances, take of such property:

Provided that if such property is subject to speedy or natural decay, or the expense of keeping such property in custody is likely to exceed its value, the authorised officer may sell it at once.

(4) The authorised officer shall take steps for preservation and protection of secured assets and insure them, if necessary, till they are sold or otherwise disposed of.

(5) In case any secured asset is:—

(a) a debt not secured by negotiable instrument; or

(b) a share, in a body corporate;

(c) other movable property not in the possession of the borrower except the property deposited in or in the custody of any Court or any like authority, the authorised officer shall obtain possession or recover the debt by service of notice as under:—

R. 6]

the
andborr
corp
the
conc
anycalli
sam
suc
aboshal
ke5
sub
obta
con
pric6
mov
moi
pric

othe

day
P
invi
crec
veri
the

mai

oth

crec

(i) in the case of a debt, prohibiting the borrower from recovering the debt or any interest thereon and the debtor from making payment thereof and directing the debtor to make such payment to the authorised officer; or

(ii) in the case of the shares in a body corporate, directing the borrower to transfer the same to the secured creditor and also the body corporate from not transferring such shares in favour of any person other than the secured creditor. A copy of the notice so sent may be endorsed to the concerned body corporate's Registrar to the issue or share transfer agents, if any;

(iii) in the case of other movable property (except as aforesaid), calling upon the borrowers and the person in possession to hand over the same to the authorised officer and the authorised officer shall take custody of such movable property in the same manner as provided in sub-rules (1) to (3) above;

(iv) movable secured assets other than those covered in this rule shall be taken possession of by the authorised officer by taking possession of the documents evidencing title to such secured assets.

5. Valuation of movable secured assets.—After taking possession under sub-rule (1) of rule 4 and in any case before sale, the authorised officer shall obtain the estimated value of the movable secured assets and thereafter, if considered necessary, fix in consultation with the secured creditor, the reserve price of the assets to be sold in realisation of the dues of the secured creditor.

6. Sale of movable secured assets.—(1) The authorised officer may sell the movable secured assets taken possession under sub-rule (1) of rule 4 in one or more lots by adopting any of the following methods to secure maximum sale price for the assets, to be so sold—

(a) obtaining quotations from parties dealing in the secured assets or otherwise interested in buying such assets; or

(b) inviting tenders from the public; or

(c) holding public auction; or

(d) by private treaty.

(2) The authorised officer shall serve to the borrower a notice of thirty days for sale of the movable secured assets, under sub-rule (1):

Provided that if the sale of such secured assets is being, effected by either inviting tenders from the public or by holding public auction, the secured creditor shall cause a public notice in two leading newspapers, one in vernacular language, having sufficient circulation in that locality by setting out the terms of sale, which may include,—

(a) details about the borrower and the secured creditor;

(b) description of movable secured assets to be sold with identification marks or numbers, if any, on them;

(c) reserve price, if any, and the time and manner of payment;

(d) time and place of public auction or the time after which sale by any other mode shall be completed;

(e) depositing earnest money as may be stipulated by the secured creditor;

(f) any other thing which the authorised officer considers it material for a purchaser to know in order to judge the nature and value of movable secured assets.

(3) Sale by any methods other than public auction or public tender, shall be on such terms as may be settled between the parties in writing.

7. Issue of certificate of sale.—(1) Where movable secured assets is sold, sale price of each lot shall be paid as per the terms of the public notice or on the terms as may be settled between the parties, as the case may be, and in the event of default of payment, the movable secured assets shall be liable to be offered for sale again.

(2) On payment of sale price, the authorised officer shall issue a certificate of sale in the prescribed form as given in Appendix III to these rules specifying the movable secured assets sold, price paid and the name of the purchaser and thereafter the sale shall become absolute. The certificate of sale so issued shall be *prima facie* evidence of title of the purchaser.

(3) Where the movable secured assets are those referred in sub-clauses (iii) to (v) of clause (1) of sub-section (1) of section 2 of the Ordinance, the provisions contained in these rules and rule 7 dealing with the sale of movable secured assets shall, *mutatis mutandis*, apply to such assets.

8. Sale of immovable secured assets.—(1) Where the secured asset is an immovable property, the authorised officer shall take or cause to be taken possession, by delivering a possession notice prepared as nearly as possible in Appendix IV to these rules, to the borrower and by affixing the possession notice on the outer door or at such conspicuous place of the property.

(2) The possession notice as referred to in sub-rule (1) shall also be published in two leading newspaper, one in vernacular language having sufficient circulation in that locality, by the authorised officer.

(3) In the event of possession of immovable property is actually taken by the authorised officer, such property shall be kept in his own custody or in the custody of any person authorised or appointed by him, who shall take as much care of the property in his custody as a owner of ordinary prudence would, under the similar circumstances, take of such property.

(4) The authorised officer shall take steps for preservation and protection of secured assets and insure them, if necessary, till they are sold or otherwise disposed of.

(5) Before effecting sale of the immovable property referred to in sub-rule (1) of rule 9, the authorised officer shall obtain valuation of the property from an approved valuer and in consultation with the secured creditor, fix the reserve price of the property and may sell the whole or any part of such immovable secured asset by any of the following methods:—

- (a) by obtaining quotations from the persons dealing with similar secured assets or otherwise interested in buying the such assets; or
- (b) by inviting tenders from the public; or
- (c) by holding public auction; or
- (d) by private treaty.

(6) the authorised officer shall serve to the borrower a notice of thirty days for sale of the immovable secured assets, under sub-rule (5):

Provided that if the sale of such secured asset is being effected by either inviting tenders from the public or by holding public auction, the secured creditor shall cause a public notice in two leading newspapers one in vernacular language having sufficient circulation in the locality by setting out the terms of sale, which shall include,—

(a) the description of the immovable property to be sold, including the details of the encumbrances known to the secured creditor;

(b) the secured debt for recovery of which the property is to be sold;

(c) reserve price, below which the property may not be sold;

(d) time and place of public auction or the time after which sale by any other mode shall be completed;

(e) depositing earnest money as may be stipulated by the secured creditor;

(f) any other thing which the authorised officer considers it material for a purchaser to know in order to judge the nature and value of the property.

(7) Every notice of sale shall be affixed on a conspicuous part of the immovable property and may, if the authorised officer deems it fit, put on the website of the secured creditor on the Internet.

(8) Sale by any methods other than public auction or public tender, shall be on such terms as may be settled between the parties in writing.

9. Time of sale, issue of sale certificate and delivery of possession, etc.—

(1) No sale of immovable property under these rules shall take place before the expiry of thirty days from the date on which the public notice of sale is published in newspapers as referred to in the proviso to sub-rule (6) or notice of sale has been served to the borrower.

(2) The sale shall be confirmed in favour of the purchaser who has offered the highest sale price in his bid or tender or quotation or offer to the authorised officer and shall be subject to confirmation by the secured creditor:

Provided that no sale under this rule shall be confirmed, if the amount offered by sale price is less than the reserve price, specified under sub-rule (5) of Rule 9:

Provided further that if the authorised officer fails to obtain a price higher than the reserve price, he may, with the consent of the borrower and the secured creditor effect the sale at such price.

(3) On every sale of immovable property, the purchaser shall immediately pay a deposit of twenty-five per cent. of the amount of the sale price, to the authorised officer conducting the sale and in default of such deposit, the property shall forthwith be sold again.

(4) The balance amount of purchase price payable shall be paid by the purchaser to the authorised officer on or before the fifteenth day of confirmation of sale of the immovable property or such extended period as may be agreed upon in writing between the parties.

(5) In default of payment within the period mentioned in sub-rule (4), the deposit shall be forfeited and the property shall be resold and the defaulting purchaser shall forfeit all claim to the property or to any part of the sum for which it may be subsequently sold.

(6) On confirmation of sale by the secured creditor and if the terms of payment have been complied with, the authorised officer exercising the power of sale shall issue a certificate of sale of the immovable property in favour of the purchaser in the Form given in Appendix V to these rules.

(7) Where the immovable property sold is subject to any encumbrances, the authorised officer may, if he thinks fit, allow the purchaser to deposit with him the money required to discharge the encumbrances and any interest due thereon together with such additional amount that may be sufficient to meet the contingencies or further cost, expenses and interest as may be determined by him.

(8) On such deposit of money for discharge of the encumbrances, the authorised officer may issue or cause the purchaser to issue notices to the persons interested in or entitled to the money deposited with him and take steps to make the payment accordingly.

(9) The authorised officer shall deliver the property to the purchaser free from encumbrances known to the secured creditor on deposit of money as specified in sub-rule (7) above.

(10) The certificate of sale issued under sub-rule (6) shall specifically mention that whether the purchaser has purchased the immovable secured asset free from any encumbrances known to the secured creditor or not.

10. Appointment of Manager.—(1) The Board of Directors or Board of Trustees, as the case may be, may appoint in consultation with the borrower any person (hereinafter referred to as the Manager) to manage the secured assets the possession of which has been taken over by the secured creditor.

(2) The Manager appointed by the Board of Directors or Board of Trustees, as the case may be, shall be deemed to be an agent of the borrower and the borrower shall be solely responsible for the commission or omission of acts of the Manager unless such commission or omission are due to improper intervention of the secured creditor or the authorised officer.

(3) The Manager shall have power by notice in writing to recover any money from any person who has acquired any of the secured assets from the borrower, which is due to may become due to the borrower.

(4) The Manager shall give such person who has made payment under sub-rule (3) a valid discharge as if he has made payments to the borrower.

(5) The Manager shall apply all the monies received by him in accordance with the provisions contained in sub-section (7) of section 13 of the Ordinance.

11. Procedure for recovery of shortfall of secured debt.—(1) An application for recovery of balance amount by any secured creditor pursuant to sub-section (10) of section 13 of the Ordinance shall be presented to the Debts Recovery Tribunal in the form annexed as Appendix VI to these rules by the authorised officer or his agent or by a duly authorised legal practitioner, to the Registrar of the Bench within whose jurisdiction his case falls or shall be sent by registered post addressed to the Registrar of Debts Recovery Tribunal.

(2) The provisions of the Debts Recovery Tribunal (Procedure) Rules, 1993 made under Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (51 of 1993), shall *mutatis mutandis* apply to any application filed by under sub-rule (1).

(3) An application under sub-rule (1) shall be accompanied with fee as provided in rule 7 of the Debts Recovery Tribunal (Procedure) Rules, 1993.

APPENDIX I

[See rule 4(1)]

PANCHNAMA

Whereas;

We

Sl. No.	Name of Panch and Father's/Husband's Name	Address	Age	Occupation
---------	---	---------	-----	------------

The abovementioned Panchs on being called by Shri....., the authorised officer of.....(name of the Institution), under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security (Second) Interest Ordinance, 2002 (Ord. 3 of 2002) and in exercise of the powers under section 13(4) of the said Ordinance today entered the premises of Shri/M/s.....at....., and demanded the payment of the dues mentioned in the demand notice dated.....in respect of Loan Account Bearing No. and on its non-payment, taken over possession of movable properties as detailed in the inventory attached to this Panchnama between the hours.....M and.....M in our presence.

We also hereby state that during take over of possession.....(to be filled in case of occurrence of any incidence).

Therefore, we declare that the facts of the Panchnama mentioned herein are true and correct to the best of our observations and knowledge.

1. Signature

Date

Time

Name

Address

2. -do-

Drawn before me

Authorised Officer

APPENDIX II

[See rule 4(2)]

INVENTORY

Inventory of movables taken possession in Loan Account Bearing No.....Inventory of movable properties taken possession of at the premises of Shri/M/s.....Plot No. /Gala No.H.No.Street No.of.....under section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Second) Ordinance, 2002 and the Security Interest (Enforcement) Rules, 2002 made thereunder, on this.....day of.....20.....by Shri.....authorised officer of.....(name of the Institution) under the said Ordinance, between the hoursM.

Sl. No.	Description of article	Estimated value	Place where kept for safe custody (Name of the person, if necessary)

Panchas:

Sl. No.	Name and Address of Panch	Signatures

Drawn by me today the.....20.....at.....M.

Signature of Borrower/Representative

Signature of Authorised Officer

APPENDIX III

[See rule 7(2)]

CERTIFICATE OF SALE

(For Movable Property)

Whereas

The undersigned being the authorised officer of the.....(name of the institution) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Second) Ordinance, 2002 and in exercise of the powers conferred under sub-section (12) of section 13 read with rule 8 of the Security Interest (Enforcement) Rules, 2002 has in consideration of the payment of Rs.....(Rupees.....) sold on behalf of the.....(name of the secured creditor/institution) in favour of.....(purchaser), the following movable property secured in favour of the.....(name of the secured creditor) by.....(the names of the borrowers) towards the financial facility.....(description) offered by.....(secured creditor). The undersigned acknowledge the receipt of the sale price in full and hand over the delivery and possession of the items listed below.

Description of the movable property.

Sd/-

Authorised Officer

Date:

Place:

APPENDIX IV

[See rule 8(1)]

POSSESSION NOTICE

(For Immovable Property)

Whereas

The undersigned being the authorised officer of the.....(name of the Institution) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Second) Ordinance, 2002 (Ord. 3 of 2002) and in exercise of powers conferred under section 13(12) read with rule 9 of the Security Interest (Enforcement) Rules,

2002 issued a demand notice dated.....calling upon the borrower Shri...../M/s.....to repay the amount mentioned in the notice being Rs.....(in words.....) within 60 days from the date of receipt of the said notice.

The borrower having failed to repay the amount, notice is hereby given to the borrower and the public in general that the undersigned has taken possession of the property described herein below in exercise of powers conferred on him/her under section 13(4) of the said Ordinance read with rule 9 of the said Rules on this.....day of.....of the year.....

The borrower in particular and the public in general is hereby cautioned not to deal with the property and any dealings with the property will be subject to the charge of the(name of the Institution) for an amount Rs.....and interest thereon.

DESCRIPTION OF THE IMMOVABLE PROPERTY

All that part and parcel of the property consisting of Flat No. /Plot No. in Survey No. /City or Town Survey No. Khasara No. within the registration Sub-District.....and District.....

Bounded:

On the North by

On the South by

On the East by

On the West by

Sd/-

Authorised Officer
(Name of the Institution)

Date:

Place:

APPENDIX V

[See rule 9(6)]

SALE CERTIFICATE

(For Immovable Property)

Whereas

The undersigned being the authorised officer of the.....(name of the Institution) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Second) Ordinance, 2002 (Ord. 3 of 2002) and in exercise of the powers conferred under section 13 read with rule 12 of the Security Interest (Enforcement) Rules, 2002 sold on behalf of the.....(name of the secured creditor/institution) in favour of.....(purchaser), the immovable property shown in the Schedule below secured in favour of the.....(name of the secured creditor) by.....(the names of the borrowers) towards the financial facility.....(description) offered by.....(secured creditor). The undersigned acknowledge the receipt of the sale price in full and handed over the delivery and possession of the schedule property. The sale of the scheduled property was made free from all encumbrances known to the secured creditor listed below on deposit of the money demanded by the undersigned.

DESCRIPTION OF THE MOVABLE PROPERTY

All that part and parcel of the property consisting of Flat No. / Plot
 in Survey No. / City or Town Survey No. / Khasra
 within the registration Sub-District and District

Bounded:

On the North by

On the South by

On the East by

On the West by

List of encumbrances

1

2

Sd/-

Authorised Officer
 (Name of the Institution)

Date:

Place:

APPENDIX VI
 FORM

[See rule 11(1)]

Application under sub-section (10) of section 13 of the Securitisation and Reconstruction of
 Financial Assets and Enforcement of Security Interest (Second) Ordinance, 2002

For use in Office.

Date of filing

Date of receipt by post

Registration No.

Signature
 Registrar

IN THE DEBTS RECOVERY TRIBUNAL
 [NAME OF THE PLACE]

Between:

A.B.

And

Applicant;

C.D.

Defendant.

Delete whichever is not applicable

Details of the Application:

1. Particulars of the applicant

(i) Name of the applicant

(ii) Address of Registered Office

(iii) Address for service of all notices

2. *Particulars of the (defendant)*

- (i) Name of the (defendant)
- (ii) Office address of the (defendant)
- (iii) Address for service of all notices

3. *Jurisdiction of the Tribunal.*—The applicant declares that the subject-matter of the recovery of debt due falls within the jurisdiction of the Tribunal.

4. *Limitation.*—The applicant further declares that the application is within the limitation prescribed in section 24 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993.

5. *Facts of the case.*—The facts of the case are given below:

[Give here a concise statement of facts in a chronological order, each paragraph containing as nearly as possible a separate issue, fact or otherwise.]

6. *Details of recoveries made by sale of securities:*—

[Give here securitywise details of sale/s conducted and realizations, appropriations of sale proceeds towards, costs, interest and principal amount and the balance amount to be recovered.]

7. *Relief sought.*—In view of the facts mentioned in Para 5 above, the applicant prays for the following relief(s):—

[Specify below the relief(s) sought explaining the ground for relief(s) and the legal provisions (if any relief sought upon).]

8. *Interim order, if prayed for.*—Pending final decision on the application, the applicant seeks issue of the following interim order:

[Give here the nature of the interim order prayed for with reasons.]

9. *Matter not pending with any other Court, etc.*—The applicant further declares that the matter regarding which this application has been made is not pending before any Court of law or any other authority or any other Bench of the Tribunal.

10. *Particulars of Bank Draft/Postal Order in respect of the application fee:*—

- (1) Name of the Bank on which drawn
- (2) Demand Draft No.

- (1) Number of Indian Postal Order(s)
- (2) Name of the issuing Post Office

(3) Date of issue of Postal Order(s) :

(4) Post Office at which payable :

11. *Details of Index.*—An index in duplicate containing the details of the documents to be relied upon is enclosed.

[Such documents should include copies of sale certificates or any other documents relating to sale of secured assets and sale proceeds realised.]

12. *List of enclosures.*—

VERIFICATION

I, (Name in full and block letters), son/daughter/wife of Shri. being the (designation) (name of the company) holding a valid power of attorney from (name of the company) do hereby verify that the contents of Paras 1 to 11 are true to my personal knowledge and belief and that I have not suppressed any material facts.

Signature of the Applicant

Place

Date

To

The Registrar

At
and r
therea

BE
as fol

Sta
exper
charg
financ

va
system

Tribun

critica
was, t

and fi

Chairm
and fi

Tiwar
the ba

Specia
the im

1990 n
filed l

involv
of due

litigati
countr

T
for exp

Am

Due to
provid

debts
incide

2. T
In the

Delhi l
power

constit
declare

that—
(

from o
(

respec
(

FORMATS REQUIRED

UNDER

THE SARFAESI ACT,

2002

If the account relates to consortium/joint financing, it is necessary to get consent of consortium/other secured creditors. If consent is obtained, then include the following clause as last but one para:

"The secured creditors representing not less than 3/4th in value of amount outstanding have already given consent for exercise of the rights of the secured creditors as provided under the said Act."

CIRCULAR

Ref.No.RFC/F.....

Dated

.....

.....

.....

(Name & Address of the borrower
Who has created security interest)

Dear Sir,

Re: **Account No. /credit facilities availed by**
M/s.

You, M/s. (Name and address of the
Borrower) have availed the following credit facilities:

Facility	Limit	Balance outstanding As on
1.		
2.		
3.		

Total:

Due to non-payment of installment/interest/principal debt, the account(s) has/have been classified as Non Performing Asset as per guidelines of the Corporation. We have demanded/recalled the entire outstanding together with interest and other charges due under the above facilities vide our letter dated

The amount due to the Corporation as onis Rs.
..... (Rupeesonly)
with further interest until payment in full (hereinafter referred to as
"secured debt").

To secure the outstanding under the above said facilities, you have,
inter alia, created security interest in respect of the following
properties/assets:

Contd....2

CIRCULAR

Facility

Security (Give Details)

1.

2.

3.

We hereby call upon you to pay the amount of Rs. (Rupeesonly) with further interest at the contracted rate until payment in full within 60 days (sixty days) from the date of this notice. In default, besides exercising other rights of the Corporation as available under Law, the Corporation is intending to exercise any or all of the powers as provided u/s 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as "the Act"). The details of the secured asset/s intended to be enforced by the Corporation, in the event of non-payment of secured debt by you are as under:-

1.

2.

3.

Please take notice that in terms of Sec. 13(13) of the said Act, you shall not, after receipt of this notice, transfer by way of sale, lease or otherwise (other than in the ordinary course of business) any of the secured assets above referred to, without prior written consent of the Corporation. You are also put on notice that any contravention of this statutory injunction/restraint, as provided under the said Act, is an offence.

If for any reason, the secured assets are sold or leased out in the ordinary course of business, the sale proceeds or income realized shall be deposited/remitted with/to the Corporation. You will have to render proper account of such realization/income.

Contd...3

CIRCULAR

*We reserve our rights to enforce other secured assets.

Please comply with this demand under this notice and avoid all unpleasantness. In case of non-compliance, further needful action will be resorted to, holding you liable for all costs and consequences.

*This notice is issued without prejudice to the Corporation taking legal action before DRT/Court, as the case may be.

*This notice is issued without prejudice to the Corporation's rights in the suit/litigation pending before DRT/Court.

*Delete, if inapplicable.

Yours faithfully,

(Authorised Officer)

Copy to:

.....
.....
.....

If the account relates to consortium/joint financing, it is necessary to get consent of consortium/other secured creditors. If consent is obtained, then include the following clause as last but one para:

"The secured creditors representing not less than 3/4th in value of amount outstanding have already given consent for exercise of the rights of the secured creditors as provided under the said Act."

CIRCULAR

Ref.No.RFC/F.....

Dated

.....

.....

.....

(Name & Address of the borrower
Who has created security interest)

Dear Sir,

Re: **Account No. /credit facilities availed by**
M/s.

M/s. (Name and address of the
Borrower) have availed the following credit facilities:

Facility	Limit	Balance outstanding As on
1.		
2.		
3.		

Total:

Due to non-payment of installment/interest/principal debt, the account(s) has/have been classified as Non Performing Asset as per guidelines of the Corporation. We have already demanded/recalled the entire outstanding together with interest and other charges due under the above facilities from the Borrower vide letter dated, copy of which has already been sent to you. We have invoked the guarantee vide letter dated

The amount due to the Corporation as onis Rs.
..... (Rupeesonly)
with further interest until payment in full (hereinafter referred to as "secured debt").

Contd....2

CIRCULAR

To secure the outstanding under the above said facilities, you have, inter alia, created security interest in respect of the following properties/assets:

Facility	Security (Give Details)
1.	
2.	
3.	

We hereby call upon you to pay the amount of Rs. (Rupeesonly) with further interest on the contracted rate until payment in full within 60 days (sixty days) from the date of this notice. In default, besides exercising other rights of the Corporation as available under Law, the Corporation is intending to exercise any or all of the powers as provided u/s 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as "the Act"). The details of the secured asset/s intended to be enforced by the Corporation, in the event of non-payment of secured debt by you are as under:-

1.	
2.	
3.	

Please take notice that in terms of Sec. 13(13) of the said Act, you shall not, after receipt of this notice, transfer by way of sale, lease or otherwise (other than in the ordinary course of business) any of the secured assets above referred to, without prior written consent of the Corporation. You are also put on notice that any contravention of this statutory injunction/restraint, as provided under the said Act, is an offence.

Contd...3

If for any reason, the secured assets are sold or leased out in the ordinary course of business, the sale proceeds or income realized shall be deposited/remitted with/to the Corporation. You will have to render proper account of such realization/income.

*We reserve our rights to enforce other secured assets.

Please comply with this demand under this notice and avoid all unpleasantness. In case of non-compliance, further needful action will be resorted to, holding you liable for all costs and consequences.

*This notice is issued without prejudice to the Corporation taking legal action before DRT/Court, as the case may be.

*This notice is issued without prejudice to the Corporation's rights in the suit/litigation pending before DRT/Court.

*Delete, if inapplicable.

Yours faithfully,
For Rajasthan Financial Corporation

(Authorised Officer)

Copy to:

.....
.....
.....

SUPPLEMENTARY AGREEMENT

This Supplementary Agreement is executed at on this Day of

BETWEEN

M/s.(Give name, constitution and address of the Borrower) (hereinafter referred to as "the Borrower which term shall include its successors and assigns);

AND

RAJASTHAN FINANCIAL CORPORATION, a Corporation established under the State Financial Corporations Act, 1951 and having its Head Office at Udyog Bhawan, Tilak Marg, Jaipur and Branch Office at hereinafter referred to as 'THE CORPORATION' (which expression shall include its successors and assigns wherever the context or meaning shall so require or permit).

WHEREAS the Borrower has availed, inter alia, the following facility/ies from the Corporation:

WHEREAS the abovesaid facility/ies has/have been secured by the following securities:

WHEREAS the Corporation, in terms of the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI ACT), has issued 60 days notice and also have taken further steps in exercise of the powers given under the Act*.
(*Score out portion in italics, if not applicable)

Contd.....2

CIRCULAR

WHEREAS the borrower has since rectified the irregularity to the satisfaction of the Corporation.

WHEREAS the Borrower and the Corporation have agreed to continue the operations in the account as per terms and conditions hereinafter appearing.

NOW, THIS AGREEMENT WITNESSETH:

1. The Borrower agrees and acknowledges that the amount outstanding in respect of the abovesaid facility/ies, after adjustment of the amount already paid by the Borrower i.e. Rs. (Rupees only) on is as under:-

Facility

Amount

2. The Corporation and the Borrower have agreed that the availment of the abovesaid facility be restored to the Borrower as per terms and conditions as already agreed upon as per Agreement/s datedwithout any changes or modifications/with modifications as under:-

a)

b)

3. The Corporation and the Borrower that 60 days notice earlier issued by the Corporation be treated as not having acted upon. The Borrower confirms that the possession of the secured asset taken by the Corporation, has been restored back to him/them in good condition as was taken by the Corporation*.

(*Score out portion in italics, if not applicable)

Contd.....3

4. The borrower confirms the continuance of the security as before.
5. The Borrower agrees that all other terms and conditions as contained in the loan and security documents continue to be inforce and be binding, save and except those modified as above.
6. This Supplementary Agreement is in addition to the loan and security documents executed by the Borrower.

IN WITNEES WHEREOF, the parties hereto have signed these presents on the day, month and year abovementioned.

For

(BORROWER)

For Rajasthan Financial Corporation

(AUTHORISED SIGNATORY)

LETTER OF CONSENT/CONFIRMATION FROM GUARANTOR
(to be stamped as an agreement)

PLACE:.....
DATE:.....

The Branch Manager
Rajasthan Financial Corporation
Branch Office
.....

Dear Sir,

Reg: M/s.....(Borrower),
Facility.....Account No.....

The Borrower has been availing the credit facility/ies as abovesaid. The above credit facility/ies, inter alia, has/have been guaranteed by me/us. I/We have also secured the outstanding in respect of the above facility/ies by me/our guarantee dated.....and by mortgage/hypothecation of.....

The Corporation has issued demand notice, in terms of the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRFAESI ACT) and also has taken further steps in exercise of the powers under the said Act*.

(*Score out portion in italics, if not applicable)

The Borrower and I/We, as guarantors have rectified the irregularity.

Keeping in view the above, the Corporation has agreed to restore the operations in the Account/s. As such, the Borrower and the Corporation have entered into Supplementary Agreement/s dated..... I/We give consent to the arrangement as above said, as per the Supplementary Agreement/s dated.....

Contd....2

:2:

I/We agree that the Guarantee/s dated.....already executed by me/us will continue to be in force and binding on us. I/We agree that the Notice dated.....issued under SARFAESI ACT, 2002 is taken as not acted upon.

I/We confirm and acknowledge that the mortgage/hypothecation security, as created/executed by me/us continues to be in force and secures the above facility/ies availed/being availed by the Borrower.

Thanking you,

Yours faithfully,

GUARANTOR(S)

CIRCULAR

RAJASTHAN FINANCIAL CORPORATION
BO.....

DATE:.....

.....

.....

.....

(Name & Address of Borrower/
 Guarantor/Mortgagor)

Dear Sir,

Reg: A/c No./Credit facilities availed
 by M/s.

Please refer to 60 day's notice dated issued u/s 13(2) of
 Securitisation and Reconstruction of Financial Assets and Enforcement of
 Security Interest Act, 2002.

The amount due to the Corporation as onis Rs.
 (Rupees only) with further interest until payment
 in full.

Despite the above notice, the amount due to the Corporation has not been
 paid.

We have, therefore, decided to take possession of the secured asset, the
 details of which were given in the said notice and are also given hereunder:-

1. (give details)

2.

You are hereby called upon to deliver possession of the secured assets above
 detailed before, failing which I, the undersigned, as
 'Authorised Officer' of Rajasthan Financial Corporation (secured creditor)
 will take possession of the abovesaid secured assets on or after at
 any time betweenhours to hours.

Contd...2

CIRCULAR

: 2 :

We are also informing police authorities to depute their personnel on the date, time and place to avoid breach of peace or any untoward incident.

Please be informed that the possession will be taken at your risk and cost. Please be also further informed that after taking possession, necessary watch & ward arrangements will be made at your risk and cost. Insurance of the secured asset, if need be, will be done at your cost. Further action for sale of the secured assets will follow.

Yours faithfully,

(AUTHORISED OFFICER)
RAJASTHAN FINANCIAL CORPORATION

CC to the Superintendent of Police/Commissioner of Police. The possession of the secured asset will take place at on at any time between hours to hours. The above place is coming within the jurisdiction of Police Station. It is requested that the SHO of the Police Station may be directed to depute sufficient police personnel to maintain law and order and to avoid breach of peace or any untoward incident. If there is any change as to the date of possession, the same will be informed to your goodself.

CC to the SHO, Police Station with a request to make necessary arrangements for deputation of the police personnel.

CIRCULAR

PANCHNAMA

WHEREAS We

S. No.	Name of Panch Father's/Husband Name	Address	Age	Occupation

The above mentioned Panchs on being called by Sh., the Authorised Officer of Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 were present at

We declare and state that the Authorised Officer, in exercise of powers u/s 13(4) of the said Act, today went to/entered the premises of Sh./ M/s.(borrower/guarantor/ mortgagor) at and demanded the payment of the dues mentioned in the Demand Notice dated In respect of loan A/c bearing No.and on its non-payment has taken over possession of secured assets, as detailed in the inventory attached to this Panchmana between the hoursand in our presence.

Therefore, we solemnly, declare that the facts of the Panchnama mentioned herein are true & correct to the best of our observations & knowledge.

NameAddressSignature

1.

2.

Date:

Time:

Drawn before me

Authorised Officer

CIRCULAR

PANCHNAMA

WHEREAS We

S. No.	Name of Panch Father's/Husband Name	Address	Age	Occupation

The above mentioned Panchs on being called by Sh., the Authorised Officer of Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 were present at

We declare and state that the Authorised Officer, in exercise of powers u/s 13(4) of the said Act, today went to/entered the premises of Sh./ M/s.(borrower/guarantor/ mortgagor) at and demanded the payment of the dues mentioned in the Demand Notice dated In respect of loan A/c bearing No.and on its non-payment, has taken over possession of secured assets, as detailed in the inventory attached to this Panchmana between the hoursand in our presence.

We also hereby state that during take over of possession

.....

 (give details of occurrence of incidents, if any)

Contd....2

: 2 :

Therefore, we solemnly, declare that the facts of the Panchnama mentioned herein are true & correct to the best of our observations & knowledge.

Name

Address

Signature

1.

2.

Date:

Time:

Drawn before me

Authorised Officer

CIRCULAR

PANCHNAMA

WHEREAS We,

S. No.	Name of Panch Father's/Husband Name	Address	Age	Occupation

The above mentioned Panchs on being called by Sh., the Authorised Officer of Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 were present at

We declare and state that the Authorised Officer, in exercise of powers u/s 13(4) of the said Act, today went to/entered the premises of Sh./ M/s.(borrower/guarantor/ mortgagor) at and demanded the payment of the dues mentioned in the Demand Notice datedin respect of loan A/c bearing No.and on its non-payment, proceeded to take over possession of secured assets, as detailed in the schedule hereunder between the hoursandM. andM. in our presence. There was hue and cry. The 'Authorised Officer' faced lot of resistance from the borrower/guarantor and borrower's guarantor's/mortgagor's We also hereby state that while trying to take over of possession

.....

(give details of the incidents)

Contd....2

: 2 :

The 'Authorised Officer' came to the conclusion that possession cannot be taken without use of force. Hence it is decided by the 'Authorised Officer' not to venture further but to seek the assistance of Magistrate, as per provisions of the Act.

Therefore, we solemnly, declare that the facts of the Panchnama mentioned herein are true & correct to the best of our observations & knowledge.

SCHEDULE OF ASSETS

	<u>Name</u>	<u>Address</u>	<u>Signature</u>
1.			
2.			

Date:

Time:

Drawn before me

Authorised Officer

{(Rule 4(2))}

INVENTORY

Inventory of movable assets taken possession in Loan Account/s bearing No/s:.....

Inventory of movable properties taken possession of at the premises of Shri/M/s.....Plot No...../Gala No...../House No.....Street No.....of.....under Section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Security Interest (Enforcement) Rules, 2002 made thereunder, on this.....day of20... by Shri....., Authorised Officer of Rajasthan Financial Corporation under the said Act, between the hours.....and

S. No.	Description of Article/Assets	Estimated Value	Place where kept for safe custody (Name of the person, if necessary)

Panchs:

S.No.	Name & Address of Panch	Signature

Drawn by me today the 200..... atAM/PM.

Signature of Borrower/Representative:

**Signature of
Authorised Officer**

INVENTORY

Inventory of movable assets taken possession in Loan Account/s bearing No/s:.....

Inventory of movable properties taken possession of U/S 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Security Interest (Enforcement) Rules, 2002 made thereunder, on thisday of200... by Shri....., Authorised Officer of Rajasthan Financial Corporation under the said Act, between the hours.....and

S. No.	Description of Property	Name of Owner	Physical features/other aspects
	Plot/Shop/House No. Street No.		

Panchs:

S.No.	Name & Address of Panch	Signature

Drawn by me today the 200..... atAM/PM.

Signature of Borrower/Representative:

**Signature of
Authorised Officer**

Physical features/other aspects may relate to:

- Whether the property is vacant/built up ?
- Details of other structure, trees etc., if any, found on the land.
- Details of items/other movable assets found in the premises.
- If the premises taken in possession is found in locked position, the facts relating thereto with outer features of the premises
- If the Corporation has put lock of its own, the facts relating thereto.

POSSESSION NOTICE
(For Immovable Property)

Whereas

The undersigned being the Authorised Officer of the Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred u/s 13 read with the Security Interest (Enforcement) Rules, 2002, issued a demand notice dated calling upon the Borrower Sh. / M/s.

to repay the amount mentioned in the notice being Rs. (In words only) within 60 days from the date of notice/date of receipt of the said notice.

The borrower having failed to repay the amount, notice is hereby given to the borrower and the public in general that the undersigned has taken possession of the property described hereinbelow in exercise of powers conferred on him/her u/s 13(4) of the said Act read with Rule 8 of the said Rules on this Day of of the year.

The borrower in particular and the public in general is hereby cautioned not to deal with the property and any dealings with the property will be subject to the charge of the Rajasthan Financial Corporation for an amount of Rs. and interest thereon.

.....
Description of immovable property

.....
All that part and parcel of the property consisting of Flat No./Plot No. in Survey No. / City or Town Survey No. Khasra No. within the registration sub-district and district.

Bounded:

On the North by :
On the South by :
On the East by :
On the West by :
.....

Date :

Place:

Authorised Officer
Rajasthan Financial Corporation

CIRCULAR

SI-10A
(For Publication Purposes)

POSSESSION NOTICE
(For Immovable Property)

Whereas

The undersigned being the Authorised Officer of the Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred u/s 13 read with the Security Interest (Enforcement) Rules, 2002, issued a demand notice/s on the dates mentioned against each account calling upon the respective borrower/s to repay the amount as mentioned against each account within 60 days from the date of notice(s)/date of receipt of the said notice(s).

The borrower/s having failed to repay the amount, notice is hereby given to the borrower/s and the public in general that the undersigned has taken possession of the property/ies described hereinbelow in exercise of powers conferred on him/her u/s 13(4) of the said Act read with Rule 8 of the said Rules on the dates mentioned against each account.

The borrower/s in particular and the public in general is hereby cautioned not to deal with the property/ies and any dealings with the property/ies will be subject to the charge of the Rajasthan Financial Corporation for the amounts and interest thereon.

S. No.	Name of the BO	Name of the A/c	Name of the borrower (Owner of the property)	Description of the property mortgaged	Date of demand notice	Date of possession notice affixed	Amount out-standing as on date of demand notice
1							
2							
3							

Date :

Place:

Authorised Officer
Rajasthan Financial Corporation

CIRCULAR

SI-10B
(For Publication Purposes)

POSSESSION NOTICE
(For Immovable Property)

Whereas

Rajasthan Financial Corporation/ the Authorised Officer of the Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred u/s 13 read with the Security Interest (Enforcement) Rules, 2002, issued a demand notice/s on the dates mentioned against each account calling upon the respective borrower/s to repay the amount as mentioned against each account within 60 days from the date of notice(s)/date of receipt of the said notice(s).

The borrower/s having failed to repay the amount, notice is hereby given to the borrower/s and the public in general that the undersigned has taken possession of the property/ies described hereinbelow in exercise of powers conferred on him/her u/s 13(4) of the said Act read with Rule 8 of the said Rules on the dates mentioned against each account.

The borrower/s in particular and the public in general is hereby cautioned not to deal with the property/ies and any dealings with the property/ies will be subject to the charge of the Rajasthan Financial Corporation for the amounts and interest thereon.

S. No.	Name of the BO	Name of the A/c	Name Of the borrower (Owner of the property)	Description of the property mortgaged	Date of demand notice	Date of possession notice affixed	Amount outstanding as on date of demand notice	Name of the Authorised Officers
1								
2								
3								

Date :

Place:

Authorised Officer
Rajasthan Financial Corporation

CIRCULAR

The Authorised Officer
Rajasthan Financial Corporation
BO:

Dear Sir,

**Appointment of Manager in respect of secured asset(s) taken
in possession by the Corporation as secured Creditor**

In exercise of powers u/s 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 the Corporation has taken possession of the secured asset/s, as detailed in the Schedule below..

In this connection please refer to the correspondence exchanged/discussions that took place for appointment of 'Manager' to manage the secured asset/s.

I/We concur with you for appointment of Sh./ M/s.
As 'Manager' to manage the secured asset/s.

SCHEDULE
Particulars of secured assets

Yours faithfully,

.....
(Borrower)

Place :
Date :

CIRCULAR

RAJASTHAN FINANCIAL CORPORATION
B.O.

Ref.No.RFC/F.

Date

M/s.

.....

.....

Dear Sir,

Sub: **Sale of Secured Assets**

The possession of the following secured assets was taken over by the Corporation on

The Corporation has decided to sell the said secured assets by auction/inviting tenders/calling for quotations/entering into private treaty on any date after 30 days from the date hereof.

This notice is sent to you for your information and cooperation for disposal of these secured assets at a reasonable sale price.

Thanking you,

Yours faithfully,

(.....)

Authorised Officer

Rajasthan Financial Corporation

CIRCULAR

{(Rule 7 (2))}
CERTIFICATE OF SALE
(For Movable Property)

Whereas

The undersigned being the Authorised Officer of the Rajasthan Financial Corporation under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred under sub-sec. 4 and 12 of Sec. 13 read with Rule 7 of the Security Interest (Enforcement) Rules, 2002 has in consideration of the payment of Rs. (Rupees Only) sold on behalf of the Rajasthan Financial Corporation in favour of (purchaser), the following movable property secured in favour of the Rajasthan Financial Corporation by (the names of the borrowers) towards the financial facility(description) offered by/availed from Rajasthan Financial Corporation. The undersigned acknowledges the receipt of the sale price in full and hands over the delivery and possession of the items listed below.

Description of the movable property:

Date :

Place:

Authorised Officer
Rajasthan Financial Corporation

CIRCULAR

RECEIPT

Received with thanks from Shri/ M/s.
.....
.....(Give name and address) the sum
of Rs.(Rupeesonly) being
the sale price in full for sale of the following goods/assets.

.....
.....
(Give description of Goods/assets sold)

For Rajasthan Financial Corporation
(Secured Creditor)

To be signed
across the
revenue stamp
of Re. 1/-

(Authorised Officer)

{{(Rule 9(6))}
SALE CERTIFICATE
(For Immovable Property)

Whereas

The undersigned being the Authorised Officer of the Rajasthan Financial Corporation (secured creditor) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred u/s 13 read with the Security Interest (Enforcement) Rules, 2002, sold on behalf of the Rajasthan Financial Corporation in favour of
 (purchaser), the immovable property shown in the schedule below secured in favour of the Rajasthan Financial Corporation by (the names of the borrowers) towards the financial facility
 (description) offered by/availed from Rajasthan Financial Corporation. The undersigned acknowledged the receipt of the sale price viz. Rs. (Rupees only) in full and hands over the delivery and possession of the scheduled property.

The sale of scheduled property was made free from all encumbrances known to the secured creditor listed below (list I) on deposit of the money demanded by the undersigned.

The sale of scheduled property was made without freeing from encumbrances listed below (list II).

Description of immovable property

.....
 All that part and parcel of the property consisting of Flat No./Plot No.
in Survey No. / City or Town Survey No.
 Khasra No. within the registration sub-district
 and district.

Bounded:

On the North by :
 On the South by :
 On the East by :
 On the West by :

CIRCULAR

LIST 1

List of encumbrances freed from

Encumbrances

Deposit made/amount adjusted

1.

2.

LIST II

**List of encumbrances not freed from, and subject
to which sale made**

1.

2.

.....
Date :

Place:

**Authorised Officer
Rajasthan Financial Corporation**

CIRCULAR

RAJASTHAN FINANCIAL CORPORATION

SI-18A

TERMS & CONDITIONS OF THE AUCTION

Date :

Details of the secured assets to be sold

1. The person, taking part of the auction, will have to deposit Rs. (Rupees only) as Earnest Money Deposit (EMD).
2. Sale of secured asset will be on "as is where is" basis.
3. The Reserve Price* is Rs.
4. **25% of amount of the bid will have to be paid as initial deposit by the highest bidder at knock down time, otherwise his EMD will be forfeited. EMD paid will be adjusted against the initial payment.
5. Balance amount of the bid will have to be deposited within days after acceptance of the sale; otherwise his initial payment deposited will be forfeited.
6. The Authorised Officer will have the right to accept or reject any bid.
7. Highest bidder can deposit the whole amount at one time.
8. If the Borrower pays the amount due to the Corporation in full before the date of the sale, auction is liable to be discontinued.

Contd....2

We have read and understood the above terms & conditions of the auction and we accept the terms & conditions of the auction.

Signature of the participants taking part in the auction:

<u>S.No.</u>	<u>Name of the Bidder</u>	<u>Signature</u>
1.		
2.		
3.		
4.		
5.		
6.		

Drawn before me

(.....)
AUTHORISED OFFICER

Signature of members of consortium observing the auction.

<u>S.No.</u>	<u>Name</u>	<u>Signature</u>
1.		
2.		
3.		
4.		
5.		
6.		

.....
(* Fixation of reserve price is must in case of immovable assets)
(**The clause may need suitable amendment in case of sale of movable assets)

RECORD OF AUCTION PROCEEDINGS OF SALE OF ASSETS

Auction Proceedings of Sale of Assets of
M/s.

Located at (Site)

Place of Auction Date of Auction

PART-A : DETAILS OF BID

S. No.	Name & Address of bidders	B I D S				Sign. of Bidders
		No. Amt.	No. Amt.	No. Amt.	No. Amt.	

Statement of second Highest Bidder :- I do not want to increase my bid from
my last bid o Rs.

Sign. of Second Highest Bidder

PART – B: DECISION OF ATHORISED OFFICER

The three highest bids are as under:-

S.No.	Name of Bidder	Amt. of Bid	Bid No.
1.			
2.			
3.			

Contd....2

: 2 :

The above bid is for the sale of assets(Description of asset).

The highest bid is for Rs. (Rs. only)
by Sh. S/o Sh.
Address for purchase of
the assets of above unit/property auctioned today (date)

This highest bid is decided for acceptance as being reasonable considering the position of assets and their present market realizable value.

OR

The highest bid is below the Reserve Price. Hence it is decided to cancel the auction.

(Signature of Authorised Officer)

Rajasthan Financial Corporation as secured creditor confirms the sale subject to payment of sale price in full.

For Rajasthan Financial Corporation
(Secured Creditor)

(Authorised Representative)

**We concur with the decision of Authorised Officer of PNB

S.No.	INSTITUTION NAME	DESIGNATION	SIGNATURE
-------	------------------	-------------	-----------

1.

2.

3.

**In case of charge ranking pari passu etc.

CIRCULAR

BIO-DATA OF THE HIGHEST BIDDER IN AUCTION

1. Name :
2. Father's Name :
3. Age :
4. Address: PHONE NO.
 (A) Permanent
 (B) Postal
5. Present business activities:

Name of the Concern	Constitution of the Concern	Approximate investment	Share in profit/loss

6. Details of Immovable Properties :
 Description Approx. market value
7. **Other Investment** Value
 (a) Share/Securities :
 (b) Fixed deposits :
 (c) LIC :
 (d) Other investment :
8. Approximate net-worth :
9. Reference of two respectable persons :
10. Name of the Bankers :

SIGNATURE

RAJASTHAN FINANCIAL CORPORATION
BO :

Ref.No.RFC/F.....

Dated:

M/s./ Shri

.....

.....

Sub: Acceptance of bid of assets of M/s.

Located at your bid/offer on

Dear Sirs/s,

With reference to above, we are pleased to inform you that your bid of Rs. for the purchase of assets, detailed in schedule hereunder of M/s. located at given by you during auction held on (Date) at (Place) is accepted by the Corporation on the following terms and conditions:-

1. The assets are being sold to you on "As is, where is" basis.
2. The sale price of the assets shall be Rs.
3. You will make% i.e. Rs. of the sale price as initial deposit immediately. Earnest Money Deposit (EMD) will be adjusted against the initial deposit.
4. The balance payment shall be made by you on or before
5. You will execute forthwith an agreement to sell. The possession of assets will be handed over only after payment of price.
6. In case the payment is not made as above said, please note that the Corporation shall be at liberty to forfeit the amount deposited by you (i.e. initial deposit) at the time of auction.

Contd....2

CIRCULAR

: 2 :

7. The acceptance of the sale is subject to confirmation by the Corporation as secured creditor.

You are requested to please contact our BOfor further necessary action in the matter and also to execute an agreement to sell.

Thanking you,

Yours faithfully,

**Authorised Officer
Rajasthan Financial Corporation**

Note: The format may require modifications depending upon the mode of sale or type of assets so.

CIRCULAR