

RAJASTHAN FINANCIAL COPROATION
(ARRC)

Udyog Bhawan
Tilak Marg
JAIPUR

No.RFC/ARRC/Gen-77/2002-03/ 1964

Dated : 04.01.2003

CIRCULAR
(ARRC No. 58)

Reg: 'On spot sale drive scheme' for disposal of units under possession where 20 or more attempts of auction have been made

The Corporation launched Special Sale Drive in the current financial year and looking to the encouraging results of sale drive, the matter was placed before the Board of Directors in its meeting held on 2.1.2003 for conducting '**On spot sale drive scheme**' for disposal of units under possession where 20 or more attempts of auction have been made so as to ensure early sale of units under possession, reduction in the overhead expenditure like watch & ward and advertisement and also reduction in NPAs, etc.

Having considered the matter, the Board of Directors in its meeting held on 2.1.03 has approved '**On spot sale drive scheme**' for disposal of units under possession where 20 or more attempts of auction have been made, irrespective of loan amount sanctioned but excluding court stay cases and HO level sale cases.

It has, therefore, been decided to launch '**On spot sale drive**' for disposal of units under possession as indicated above. The salient features of the said Sale drive would be as under:

Period of Drive

	Ist Phase of drive	IInd phase	IIIRD phase
a) Publication of NIT	3 rd to 7 th February, 2003, including second & third phase of drive.	—	—
b) Date of inviting tenders	20 th to 25 th Feb, 2003	20 th to 25 th March, 2003	22 nd to 26 th April, 2003

DGM(R) will decide tender dates of different branch offices working under his jurisdiction in consultation with Branch Manager concerned and Nodal Officer (HO).

Eligibility criteria/coverage:

All the units available for sale, irrespective of loan amount sanctioned (**excluding court stay cases and HO level sale cases**) where 20 or more attempts of auction have already been made, are to be covered under this scheme.

Authority to sell the unit(s)

The RO level Sale cum Negotiation Committee is authorised for finalizing the sale price without considering any rider of MRV, amount disbursed and any higher offer received in the past.

Quorum

The quorum of the Sale Committee will be 4.

Note

- i) Intimation to original promoter(s)/partner(s)/director(s) of the unit regarding auction programme be sent well in advance in the format already prescribed.
- ii) Decision shall be taken by the Sale Committee on the spot and minutes shall be recorded immediately.

- iii) **Publicity**

NIT for the 'on spot sale drive' incorporating requisite information and dates of first, second and third phase of the drive will be issued by the DGM(R) concerned. NIT for **remaining units** available for sale will be issued by him separately and decision for sale of assets be taken by respective Sale Committee in accordance with the existing guidelines.

Terms & conditions and Sale Letter

While getting terms and conditions signed from Bidders/offerers at the time of auction and issuing letter for approval of sale in the case(s) sold under General Sale or under any sale drive or scheme, it should be ensured that guidelines issued vide PG circular No.545 dated 4.12.1993 have been properly incorporated as few BOs are still mentioning that earnest money deposited prior to issue of sale letter would be forfeited, instead of entire amount deposited, inclusive of earnest money and initial deposit amount, if terms and conditions of the sale are not complied with.

Strategy

1. The Branch Manager should carefully identify the units under possession where 20 or more attempts of auction have been made, excluding court stay cases and HO level sale cases.
2. After identification of such units, details for the purpose of publishing NIT be sent to RO concerned after thoroughly checking the complete and correct names and addresses of the units, particulars of assets available for sale, nature of product/industry, etc.

3. Since vast and full powers have been delegated to RO level Sale cum Negotiation Committee for disposal of such units, it is necessary that Branch Manager and DGM(R) concerned should pay serious attention for speedy disposal of such units. They are also required to furnish reasons for not selling such units soon after second phase of the drive (20-25 March, 2003) to HO. This only means that the 'On spot sale drive' scheme should not be taken as a routine exercise/Sale Drive as the Corporation is having large number of units under possession since long and expenditure is being incurred on watch & ward and advertisement on such units.
4. The Branch Manager and DGM(R) will also ensure publicity through leaflet/pamphlets in the local newspaper(s) as per PG circular No.823 and wherever necessary publicity through hiring tonga/auto rickshaw be also made in the area.
5. The purchaser parties who participated in the earlier auction(s) may also be informed about the auction programme appending photo copy of the NIT being published so that they could make up their mind to participate in the auction programme.
6. Prospective buyer/entrepreneur working in the same line as well as Industrial Association(s) may also be contacted so as to make sure more participation in the auction programme
7. Notified units being put to auction under 'on spot sale drive scheme' should also be distributed to staff/officer(s) and they should go in the field and contact the prospective purchaser(s). The staff/officer(s) going in the field for this purpose should also give their report in writing to Branch Manager and one copy of the visit report to HO (ARRC).
8. If units under possession being notified under the 'on spot sale drive scheme' have already been got published in the general auction programme earlier, then as per auction programme already published, units be sold as per powers delegated in the past but publication of the NIT under the said scheme should strictly be made as per period of drive indicated in this circular and units be disposed off as per powers given to the RO level Sale cum Negotiation Committee in this circular.

All concerned are advised to make a note of above and ensure complete success of the 'On spot sale drive scheme'.


(T.Srinivasan)

Chairman & Managing Director



Copy to:

1. All Branches, ROs and SOs.
2. GM(WZ), Jodhpur / DGM(A&I), Ajmer
3. Standard circulation in HO.
4. Nodal Officer (HO).