

**RAJASTHAN FINANCIAL CORPORATION
(ARRC)**

Udyog Bhawan
Tilak Marg
JAIPUR

No.RFC/ARRC/Gen-77/2003-04/ 317

Dated : 12.05.2003

CIRCULAR
(ARRC No. 69)

**Reg: Slow disposal of units and high rate of rejection of bid(s)
being received in Special Sale campaigns**

Full powers have been delegated vide O&M circular No.570 dated 10.1.02 and ARRC circular No.58 dated 4.1.03 to the RO level Sale cum Negotiation Committee to dispose-off the cases falling in the ambit of Special Sale campaign. It was emphasised vide ARRC circular No.63 dated 24.3.03 that if offers received for purchase of assets are rejected, then, while rejecting the offer, reasons with justifications be recorded indicating prospect of better sale price within a month or so where next auction is to be held so as to ensure expeditious disposal of units under possession.

Despite above guidelines, it has been observed that:

- i) Disposal of units cannot be considered satisfactory as in most of the BOs, no assets were sold in May,2003 while conducting Special Sale campaign.
- ii) Rejection of bid(s) on the day of auction has been found substantially high and even sale committee did not record the reasons for rejection of bid(s) and prospects for better sale price in the next auction to be held.
- iii) BOs/ROs do not make difference between 'General Sale' and 'On the Spot Sale' campaign. It appears that they treat both the auctions at par, while 'On the Spot Sale' campaign is for units that could not be sold after a number of attempts. Moreover, by this way, the basic objective of introducing the system of 'On the Spot Sale' drive is defeated. If this style of functioning continues, it is to be examined as to why the person(s)/officer(s) concerned incur expenditure repeatedly on advertisements, watch & ward, etc.
- iv) Merely putting the unit to auction does not serve the purpose, unless BM and DGM(R) make all out efforts and adopt strategy for searching out potential buyer(s). The time has gone when the buyers happened to visit for purchase of units under possession without contacting them personally.
- v) On account of lack of quorum, decision on the bid(s) received on the date of auction was kept in abeyance at few BOs, which is a serious issue. BM/DGM(R) must ensure that such occurrence may not be allowed to happen in future.

contd...2/-

Unnecessary rejection needs to be avoided. If bid is rejected by the Sale Committee on the recommendations of the Branch Manager/Dy.General Manager(R), the BM/DGM(R) should undertake to dispose off the unit(s) within 2 months at higher price for which the bid has been rejected. It is further, clarified that MRV of the assets of the unit alone will not be a reason for non disposal of unit(s) under 'On the Spot Sale campaign' as several other vital factors contribute for sale of the unit and also the Corporation had already put such unit(s) for auction several times without any results.

It is reiterated that BOs/ROs should ensure all out efforts to achieve desirable results on the day of auction. It is also clarified that bonafide action would be protected by the Corporation.

All concerned are advised to make a note of above.



(T.Srinivasan)
Chairman & Managing Director

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

