

**RAJASTHAN FINANCIAL CORPORATION
(F&R SECTION)**

No. RFC/23FR/HO/Policy-8/ 1392

Dated : 01.05.2007

**CIRCULAR
(FR No. 449)**

**Reg : Scheme for Settlement of Small Loan cases having
disbursed amount upto Rs. 1.00 lac : 2007-08**

In order to get rid of small and sticky accounts and reduce NPA portfolio of the Corporation, it has been decided to introduce a scheme for settlement of small loan cases **having disbursed amount upto Rs.1.00 lac for the year 2007-08**. The salient features of the scheme are given below:

1. ELIGIBILITY

The following type of cases, where the last disbursement of loan was made **upto 31.03.2000** and the accounts categorized as **"Doubtful"** and **"Loss"** as on **31.03.2005**, may be covered under the Scheme:

- a) Loan cases having disbursed amount upto Rs. 1.00 lac including Single Window/Composite Loan/Seed capital loan.
- b) Loan under Shilpbari Scheme
- c) Transport Loan cases having disbursed amount upto Rs. 1.00 lac
- d) The seed capital loan account will also be treated as loan and will be eligible for settlement as per the scheme.

Note:

There is no bar for registration of deferred sale cases under the scheme, if these are otherwise eligible.

2. SALIENT FEATURES:

- a) The cases (irrespective of primary security/collateral security/third party guarantee/net worth of promoter/guarantors) shall be settled **on principal sum plus other money on the date of settlement plus 5% recovery charges where case u/s 32(G) has been filed with the Collector**. This shall also be made applicable in the cases where the units are under possession of the Corporation.
- b) In the cases where court case has been filed by the party, that will have to be withdrawn before issue of "No Dues Certificate".

3. OPERATIVE PERIOD OF THE SCHEME:

1.05.2007 to 31.07.2007.

4. REGISTRATION FEE:

The cases will be registered alongwith registration fee of Rs. 1,000/- and up-front amount equivalent to 15% of (principal sum plus other money) on the date of registration.

Note:

The registration fee and up-front amount will be deposited in one stroke. However, if required relaxation may be allowed by Branch Manager / Incharge Branch to the extent that the loanee party may deposit required upfront amount within a period of one month from the date of deposition of registration fee. The case shall be considered for settlement only after the loanee party deposited registration fee and upfront amount within the stipulated period.

5. COMPETENT AUTHORITY:

Competent authority shall be the Branch Manager/In-charge Branch who shall decide the case within 30 days from the date of registration. If the case is not decided within 30 days from the date of registration, the authority will become functus officio. He will send the case to next higher authority with detailed reasons as to why he couldn't decide the case. The next higher authority will decide such case within one month.

Note:

Case shall be deemed to be registered only when the party deposited requisite registration fee and upfront amount.

6. PAYMENT OF SETTLEMENT AMOUNT:

Generally, settlement amount is to be received in one instalment. However, if party opts to make payment in instalments, then, party be allowed to pay settlement amount in monthly instalments, but in any case repayment period would not be beyond 28th Feb., 2008. Interest @ 16% p.a. shall be charged from the first day of the following month of the date of settlement on balance settlement amount.

7. RESTRICTIVE CLAUSE

- a) The case, where the account has already squared up shall not be re-opened.

- b) The cases already decided by Empowered Settlement Committee but last date of payment in terms of decision of settlement committee has not expired shall not be eligible under the scheme. The cases in which last date of payment has expired will be settled on the balance unpaid amount as settled earlier plus interest @16% per annum on balance amount after taking permission from competent authority.
- c) In any eventuality, the cases shall not be settled below principal sum plus other money on the date of settlement.
- d) In cases where other money is more than the principal sum then other money equivalent to principal sum on the date of settlement may be taken.
- e) Effect of settlement will be given only after full amount of settlement has been recovered.
- f) The cases that have already been settled under the settlement scheme(s) shall not be reopened and recovery in those cases will be made as per terms of the settlement.

8. DISCRETIONARY POWERS OF CMD

In case of any difficulty in implementation/interpretation of the scheme or any clarification or relaxation is required, CMD's decision will be final. CMD is authorized to allow registration/extension in making payment of settlement amount beyond the cut off date, if required, depending upon merits of the case.

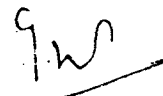
9. GENERAL

- a) All parties to be contacted personally and given notice in writing. Concrete efforts should be made in consultation with the DGM(R).
- b) The DGM(R) shall review the branch-wise attainment in Regional Meetings and provide feed-back through a special note after every visit, with regard to attainments of each branch.
- c) The Branch Manager is authorized to approve tour programme for using the services of "B" & "C" class employees in contacting the promoters.

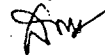
10. MONITORING SYSTEM

- a) The Branch Manager shall look into each and every case, personally at his level and constitute a team / teams of officers to visit each and every case and prepare a visit report.
- b) Unit wise record shall be maintained at BO in a separate register.

All concerned are directed to give full publicity to the scheme and ensure that majority of eligible cases in their portfolio are settled.



(B.N. Sharma)
Chairman & Managing Director



Copy to:

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