

~~ANNEXURE~~

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

No. RFC/23FR/HO/Policy-85/ 18 |

Dated : 22.04.09

**CIRCULAR
(FR No. 564)**

**Sub : Scheme for Settlement of Transport Loan cases having
disbursed amount above Rs. 1.00 lakh: 2009-10**

In order to get rid of old and sticky accounts in transport sector and to reduce NPA portfolio of the Corporation, Scheme for Settlement of Transport Loan cases having disbursed amount above Rs. 1.00 lakh was launched for the FY 2008-09. The progress made has been reviewed and it has been observed that still a big number of such eligible accounts remained unsettled.

The OTS Schemes play a vital role in NPA reduction. It has, therefore, been decided to re-introduce the scheme; on the same lines; for Settlement of Transport Loan Cases having disbursed amount above Rs.1.00 lakh for the year 2009-10. The salient features of the scheme are given below:

1. ELIGIBILITY

The cases where loan was sanctioned upto 31.3.2002 and the accounts categorized as "Doubtful" or "Loss" as on 31.3.07 will be eligible.

Note:

- i) There is no bar for registration of deferred sale cases under the scheme, if these are otherwise eligible.
- ii) Deficit / decretal / written off cases will be covered under the prevailing scheme of the Corporation and such cases shall not be considered/ registered under this scheme.
- iii) The seed capital loan account will also be treated as loan and will be eligible for settlement as per the scheme.

2. SALIENT FEATURES

- i. 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 and interest equal to 15% of principal amount on the date of settlement plus 5% recovery charges**, where case u/s 32(G) has been filed with the Collector.

- ii. The cases which were earlier registered but rejected / closed by the competent authority/committee or that were decided but party did not give his consent shall also be registered, if they are otherwise eligible.
- iii. In the cases where court case has been filed by the party, that will have to be withdrawn before issue of "No Dues Certificate".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**

01.05.09 to 30.09.09

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. The upfront amount shall be adjusted in the settlement amount.

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. However, if there is a delay and case is settled after 30 days then the BM will send a report to HO about the reasons for delay. However, in such cases also decision will be taken for settlement by the BM.

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 by way of post dated cheques in advance of the date of 15th of every month payable at branch, but in any case repayment period would not be beyond 28.02.2010. Interest @ 13% 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**

- i) The case, where the account has already squared up shall not be re-opened.
- ii) The cases having Seed Capital loan earlier settled by Empowered Settlement Committees / competent authority prior to 01.04.07 with the consent of loanee but loanee either did not deposit any amount or deposited part amount may also be registered afresh under the scheme. However, the

amount deposited earlier will not be considered for appropriation against the amount recoverable under the current scheme. The cases which were settled on or after 01.04.07 by Empowered Settlement Committees / competent authority with the consent of loanee shall not be registered afresh under the scheme. In such cases where 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.

- iii) **In no eventuality, the cases be settled below principal sum plus other money and interest equal to 15% of principal amount on the date of settlement plus 5% recovery charges, where case u/s.32(G) has been filed with the Collector concerned.**
- iv) 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.
- v) Effect of settlement will be given only after full amount of settlement has been recovered.
- vi) 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 this direction and it should be ensured that the notice about the scheme is delivered to the loanee / guarantor in the prescribed format circulated vide Circular No. FR-456 dated 02.06.07.
- b. The Nodal Officer shall review the attainment made by the concerned Branch on monthly basis and provide feedback to FR section at HO.
- c. BMs will give wide publicity to the scheme and will also arrange display of scheme on the Notice Board of Branch / DIC office, Collector's Office and Office of Local Body, etc.
- d. BM should issue notice 'to all loanees eligible for settlement where litigation or action u/s 31(a)(aa) or 32(G) is pending, the notice will be issued "without prejudice".'

- e. Cases where action under Section 31/32(G) has been initiated, the action may continue and the concerning court/authority may be informed when settlement is completed.
- f. Legal notices issued u/s 30/29 prior to registration of the case will be kept in abeyance till the party do not commit default in making payment of settlement amount.
- g. BM while conveying decision to party for deposition of settlement amount shall specifically mention the quantum of upfront amount which has been adjusted against the settlement amount.
- h. The Branch Manager is authorized to approve tour programme for using the services of "B" & "C" class employees in contacting the promoters.

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


(ATUL KUMAR GARG)
CHAIRMAN & MANAGING DIRECTOR

Copy to:

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