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RAJASTHAN FINANCIAL CORPORATION
(FR-DDW SECTION)

No. RFC/HO/FR-DDW/Policy-2/258 Dated : 01.06.2010

CIRCULAR No. 613

Sub : **Scheme for settlement of Decreetal cases 2010-11**

1. **Duration of the scheme:**

The scheme shall be operative from 1.6.2010 to 31.10.2010.

2. **Eligibility:**

a) All Decreetal cases (including deficit-decreetal and deficit-write off cases, where decree was obtained upto 31.3.2010 (except compromise decree cases).

b) Decreetal cases earlier registered but rejected/closed by the competent authority/committee.

c) Decreetal cases settled upto 31.3.09 but party did not deposit the settled amount.

Note: *All decreetal cases decided on or after 1.4.09 by the settlement committee and party consented to the settlement but payment could not be made as per schedule and now the party intends to get the case revived, then case can be revived by BM by charging interest @ 16% p.a. on simple basis on balance unpaid amount of settlement (as per FR Circular no. 463 dated 07.07.07). The last instalment of settlement amount (as full and final payment) should be received upto 28.2.2011 in any case.*

3. **Registration of case – Registration fee & upfront payment :**

The case will be registered on deposition of registration fee and upfront payment as per the following table:

Decreetal amount	Regn.fee (Rs.)	Upfront payment (i.e % of Decreetal amount)
i) Upto Rs.10000/-	100/-	Nil
ii) Rs.10001/- to Rs.25000/-	100/-	5%
iii) Rs.25001/- to Rs.1.00 lac	500/-	10%
iv) Above Rs.1.00 lac	1000/-	10%

Note:

i) No registration fee shall be charged from the entrepreneurs belonging to SC/ST/Disabled person/Ex-Servicemen. Such cases will be registered only by getting the requisite upfront fee deposited. All the cases shall be registered at branch level.

2) The upfront payment, wherever applicable, shall be payable by the party at the time of registration of the case in one go or within 30 days from the date of deposition of registration amount.

3) The "Decreetal amount" wherever is appearing shall mean the amount that has been defined vide FR circular No.491 dated 03.01.2008 and FR Circular No.406 dt.9.10.2006.

4. **Norms for Settlement of Decreetal cases:**

As stated above, the compromise decree cases will be outside the purview of the settlement scheme. Except the compromise decree cases, the decree cases may be categorized in following two categories:

(A) Cases in which decree has been obtained for recovery of deficit amount.

(B) Other decreetal cases (except Deficit-Decreetal cases as mentioned at 4(A) above).

Formula for settlement of above two different types of categories will be as follows:

(A) CASES IN WHICH DECREE HAS BEEN OBTAINED FOR RECOVERY OF DEFICIT, DEFICIT-WRITTEN-OFF AMOUNT :

S. No.	Decreetal amount	Settlement amount	Competent Authority
i)	Upto Rs.10000/-	10% of decreetal amount + OM	BM
ii)	Rs.10001/- to Rs.25000/-	25% of decreetal amount + OM.	BM
iii)	Rs.25001/- to Rs.1.00 lac	50% of decreetal amount + OM.	BM
iv)	Above Rs.1.00 to Rs.5.00 lac	Decreetal amount + OM	BM
v)	**Above Rs.5.00 lac** : (a) Where security available is upto 200% of Decreetal amount	Decreetal amount + OM + (5% of Decreetal amount on account of interest OR total interest outstanding, whichever is less).	DLC
	(b) Where security available is more than 200% but upto 300% of Decreetal amount	Decreetal amount + OM + (25% of Decreetal amount on account of interest OR total interest outstanding, whichever is less).	DLC
	(c). Where security available is more than 300% but upto 400% of Decreetal amount	Decreetal amount + OM + (50% of Decreetal amount on account of interest OR total interest outstanding, whichever is less).	DLC

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	(d) Where security available is more than 400% but upto 500% of Decreetal amount	Decreetal amount + OM + (75% of Decreetal amount on account of interest OR total interest outstanding, whichever is less).	DLC
	(e) Where security available is more than 500% of Decreetal amount	Decreetal amount + OM + (85% of Decreetal amount on account of interest OR total interest outstanding, whichever i less).	DLC

B) OTHER DECREETAL CASES (EXCEPT DEFICIT - DECREETAL / DEFICIT - WRITTEN OF - DECREETAL CASES AS MENTIONED AT 4 (A) ABOVE) :

S. No	Loan sanctioned amount	Settlement amount	Competent authority
i)	Upto Rs.10000/-	10% of Decreetal amount + OM	BM
ii)	Rs.10001/- to Rs.25000/-	35% of Decreetal amount + OM.	BM
iii)	Rs.25001/- to Rs.1.00 lac	50% of Decreetal amount + OM.	BM
iv)	Above Rs.1.00 lac to Rs.2.00 lac	Decreetal amount + OM	BM
v)	**Above Rs.2.00 lac to 5 lac:** (a) Where MRV is less than Decreetal amount	Decreetal amount + OM	DLC
	(b) Where MRV of Primary Assets / Equitable mortgage / collateral security is upto 150% Decreetal amount.	Decreetal amount + OM + (Interest equal to 15% of Decreetal amount OR total interest outstanding less unpaid penal interest, whichever is less).	DLC
	(c) Where MRV of Primary Assets / Equitable mortgage / collateral security is upto 200% Decreetal amount	Decreetal amount + OM + (Interest equal to 30% of Decreetal amount OR total interest outstanding less unpaid penal interest, whichever is less).	DLC
	(d) Where MRV of Primary Assets / Equitable mortgage / collateral security is upto 300% Decreetal amount.	Decreetal amount + OM + (Interest equal to 50% of Decreetal amount OR total interest outstanding less unpaid penal interest, whichever is less).	DLC
	(e) Where MRV of Primary Assets Equitable mortgage / collateral security is more than 300% Decreetal amount.	Account may be settled by Waiver of unpaid Penal Interest.	DLC
vi)	Above Rs. 5.00 lac	Account may be settled by Waiver of unpaid Penal Interest.	DLC

Note: Before settlement of such type of cases, the Branch Manager will certify that all efforts for execution of decree have been made, but no fruitful result has come out.

5. **SECURITY:**

Criteria for calculation of value of primary assets / collateral security:

While deciding the case by the competent authority as per powers delegated, if primary assets are available then latest MRV shall be calculated as per exising guidelines. As far as value of collateral security is concerned, it shall be taken at present market rates.

Note: This is to clarify that while setling such cases, third party personal guarantee shall not be taken into account.

6. Payment by party :

In the cases having decreetal amount upto Rs. 1.00 lac, the party will be required to deposit the entire settlement amount in one go. However, in the cases having decreetal amount above Rs.1.00 lac, if the party opts to make payment of the settlement amount in instalments then it may be allowed to deposit the settlement amount in monthly instalments from the date of settlement (not more than 6 monthly instalments). The last date of deposition of settlement amount (as full and final payment) should not be later then 31.03.2011 in any case. No case will be allowed to spill-over in the next F.Y.

7. **Appeal:**

No appeal shall lie against the order of the BM/DLC unless the decision for settlement is against the provisions of the scheme. In such cases the Appeal against the decision of Branch Manager/DLC can be made to HOLC (there will be a provision of only one appeal) within 15 days of the date of conveying decision to the party by depositing upfront amount equivalent to 10% of decreetal amount and registration fees of Rs.5,000/-. No registration fee for appeal shall be charged from the entrepreneurs belonging to SC/ST/Disabled persons/Ex-Servicemen / cases having decreetal amount upto Rs.1.00 lac and such cases will be registered only by getting the requisite upfront fee deposited. All the appeal cases shall be registered at branch level and proposal will be forwarded to HO within 15 days by the date of registration of Appeal for placing the same before HOLC.

8. In case of any difficulty in implementation/interpretation of the scheme or any clarification/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:

i)	Branch Level cases	Branch Manager/DLC shall decide within 30 days of registration.

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HO Level Appeal cases Proposal of appeal should reach within 15 days to HO. The Appellate authority shall dispose of the same within 30 days of receipt of the proposal at HO.

ii) BMs will give wide publicity to the scheme and will also arrange display of the scheme on the notice board of the branch/DLC/Collector's office/office of the local bodies/Industrial Associations etc.

iii) Branch Manager to ensure that all eligible cases are identified and distributed among the officials of the Branch for proper follow up.

iv) 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.

v) A register will be maintained at Branch having S.No., date of Regn., Name of unit, Category, Regn.fee. Upfront amount. Outstanding balance, Settlement amount, Instalment allowed if any. Date of settlement. If delay, reasons and Remarks.

vi) The Nodal officer shall review the attainment made by the concerned branch on monthly basis and provide feed back to the GM(D).

vii) The branch will send monthly information by 5th of every month to DGM (DDW) about the No.of cases registered, amount settled and recovery effected.

viii) After deposition of the entire settlement amount "NO DUES CERTIFICATE" will be issued mentioning the fact that account is settled under OTS scheme of the Corporation and Corporation has sacrificed more than Rs......

ix) All the officers of the branch to whom the cases are allotted, will ensure that eligible borrowers are intimated about the scheme, contacted personally and if needed pamphlets as per directions of HO vide circular letter No.RFC/HO-FR-DDW/Gen-89/2848 dated 14.12.09 are distributed. Branch will also ensure that all pending RODs are sent ~~upto~~ 30.6.2010.

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

(G. S. Sandhu)
Chairman & Managing Director

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