

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

122
Udyog Bhawan
Tilak Marg
JAIPUR

No.RFC/ARRC/23/HO/ 1348

Dated : 23.10.02
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CIRCULAR
(ARRC NO. 57)

Sub : Scheme for settlement of decreetal cases – 2002-03

The Corporation has been filing suits/applications for recovery of its dues from the original borrowers and guarantors and substantial expenditure is being incurred in identification of the properties of the borrowers/guarantors and even after the properties are identified and execution application is filed, the Corporation has not been able to recover the amount effectively. Such borrowers/guarantors have generally shown interest in settlement of their cases by paying decreetal amount if the Corporation decides to forego interest part on the decreetal amount.

2. The matter was considered by the Board of Directors in its meeting held on 19.10.2002 and has approved the scheme for settlement of decreetal cases for the year 2002-03. The scheme is enclosed as Annexure 'A'.

3. This is a one time settlement scheme for decreetal cases. Since scheme is to be operated at the field level, the BMs are enjoined upon not only to contact such borrowers/guarantors individually and by sending communication in writing but also to persuade them to settle their accounts and get their mortgaged documents released. The BMs are advised to take following action.

- i) Advise individually eligible borrowers and guarantors with the salient features of the scheme by 16.11.2002.
- ii) Advise concerned Nodal Officers of BO (to whom such cases might have been assigned for effective recovery) to contact such borrowers/guarantors personally and persuade them to get their accounts finally settled.
- iii) These Nodal Officers while contacting the loanee may procure the registration fee of Rs.500/- and also upfront amount equal to 10% of the decreetal amount.
- iv) In case the borrower/guarantor does not deposit the registration amount and upfront amount during the visit of the Nodal Officer, in such cases a campaign may be organised in the second week of December, 2002. However, the last date of registration of the case would be 31.12.2002.

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- v) All cases so registered should be attended to immediately and final decision shall be taken by Branch Manager within a week of its registration. Whatever cases are registered and upfront amount deposited, post dated cheques for the required amount should be taken in advance payable latest by 31.3.2003. In deserving cases, if it is felt that further extension upto 6 months is required i.e. upto 30.9.2003, the post dated cheques for the remaining amount together with current rate of interest may also be collected. Justification of extension in period may also be recorded on file. However, atleast 50% of the settled amount shall have to be paid by 31.3.2003.
- vi) Soon after final settlement of the account the Branch may release the mortgaged documents as per the procedure laid down in serial number (vii) of Annexure 'A'.
- vii) A fortnightly progress report will be sent by the RO after consolidating information of their BOs to HO(ARRC) in the prescribed format enclosed at Annexure 'B'. The fortnightly return be despatched by RO on 1st and 16th day of each month.

4. Since the scheme does not envisage any detailed calculation, it is expected that there will be no practical difficulty at field level in taking decision and settlement of such decretal cases.

5. It is emphasised that this is a one time opportunity to such borrowers/guarantors to finally settle their account and get rid of further litigation etc. Settlement of maximum number of such decrees will bring down the bad assets portfolio of the Corporation and will add directly to the profitability of the Corporation.

The Branch Managers/DGM(Rs) are enjoined upon to use the provisions of the Settlement scheme extensively and effect maximum recovery in the interest of the Corporation.

(J.P.Vimal)
Executive Director



Encl : As above.

Copy to :

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

24.8.2002

RAJASTHAN FINANCIAL CORPORATION

Scheme for settlement of Decretal cases – 2002-03

1. **Eligible cases:**

All decretal cases (irrespective of amount) where prime security has been disposed off and decree for deficit amount was obtained upto 31.3.99.

2. **Norms for settlement:**

The above type of eligible decretal cases are to be settled on following norms:

- a) The decretal amount plus other money including legal expenses, advocate fee and expenditure debited to the mortgagor's suspense account, etc. is to be recovered.
- b) The decretal amount plus other expenses are to be recovered within the current financial year latest by 30.3.2003.
- c) In case it is felt that the borrower/guarantor is unable to arrange funds and make full payment by 30.3.2003, the borrower/guarantor may be allowed to pay atleast 50% of the settled amount within the current financial year i.e. by 30th March, 2003 and the remaining amount shall have to be paid upto 30.9.2003 with the current rate of interest on the balance amount paid after 30.3.2003. The justification of extension in the period also be recorded on file.

3. **Relief amount:**

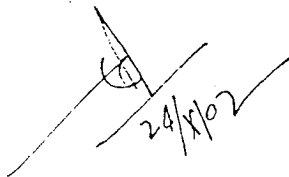
The relief in such cases shall be interest on the decretal amount upto the date of payment.

4. **Registration fee and upfront amount:**

The borrower/guarantor(s) against whom decree(s) have been obtained would be required to get their cases registered by depositing Rs.500/- as registration fee alongwith the upfront amount equal to 10% of the decretal amount. The upfront amount shall be included in the settlement amount.

5. **Last date for registration**

The party interested in settlement of its account under this scheme would be required to get their case registered alongwith registration fee and upfront amount by 31.12.2002.

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6. Competent authority:

The competent authority to settle such cases would be the Branch Manager, irrespective of his cadre. The competent authority shall dispose off the cases within a period of one week from the date of registration.

7. Action after settlement:

- c) The cases where the execution application for decreed amount has been filed, a compromise application may be filed by both the parties after receipt of settled amount before the concerned Hon'ble court in consultation with the Advocate. After receipt of compromise order from the concerned Hon'ble Court, the mortgaged documents may be released.
- d) In cases where execution application has not been filed, soon after the settled amount is received, the Branch may release mortgaged documents.

Both the above actions are to be taken within one month of the settlement of account.

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