RAJASTHAN FINANCIAL CORPORATION
(F&R SECTION)

No. RFC/23FR/HO/Policy-68/2.6/1

Dated : 31.5.2010

CIRCULAR
(FR No. 610)

Reg: AMNESTY SCHEME FOR SETTLEMENT OF NPA ACCOUNTS:
2010-11 (EXCEPT DDW CASES)

In order to get rid of age old sticky accounts and reduce NPA portfolio, the Corporation has been launching OTS Schemes since last several years. The progress made has been reviewed and it has been observed that still a big number of such age old accounts have remained unsettled.

The matter has been placed before the Board of Directors of the Corporation in its meeting held on 31.05.10 in which the Board has decided to launch a transparent, non-discretionary and non-discriminatory Amnesty Settlement Scheme for NPA Accounts: 2010-11 (except DDW cases) as follows:-

1. ELIGIBILITY:

The cases having loan sanctioned amount upto Rs. 5.00 lakh (including Single Window / Composite Loan / Seed Capital Loan) and sanctioned upto 31.03.2001 and categorized as "Doubtful" and "Loss" as on 31.03.2006 shall be eligible.

Note:

(i) There is no bar for registration of cases earlier closed / rejected by Empowered Settlement Committee (s) / competent authority / deferred sale cases or the cases which were settled upto 31.3.2009 with the consent of loanee but loanee either did not deposit any amount or deposited part amount, if these are otherwise eligible. However, the cases which were settled after 31.3.2009 by Empowered Settlement Committee (s) / competent authority with the consent of loanee shall not be registered afresh under the scheme.

(ii) Deficit/Decreetal/Written off cases will be covered under the prevailing Schemes of the Corporation and such cases shall not be considered / registered under this scheme.
## OPERATIVE PERIOD OF THE AMNESTY SETTLEMENT SCHEME:

01.06.2010 to 31.10.10.

## REGISTRATION FEE, UP-FRONT PAYMENT FORMULA FOR OTS AND COMPETENT AUTHORITIES:

**AMNESTY SETTLEMENT SCHEME FOR NPA ACCOUNTS: 2010-11**

(ExcepT BDW CASES)

<table>
<thead>
<tr>
<th>S.No</th>
<th>Loan sanctioned amount</th>
<th>Registration Fee (Rs.)</th>
<th>Up-front payment (Rs.)</th>
<th>Account to be settled at</th>
<th>Competent Authority requisite of quantum of sacrifice</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Upto Rs. 10,000/-</td>
<td>100</td>
<td>Nil</td>
<td>10% of P. sum + Other Money irrespective of any security</td>
<td>BM</td>
</tr>
<tr>
<td>2</td>
<td>Above Rs. 10,000/- and upto Rs. 50,000/-</td>
<td>500</td>
<td>10% of (P. sum + OM)</td>
<td>35% of P. sum + Other Money irrespective of any security</td>
<td>BM</td>
</tr>
<tr>
<td>3</td>
<td>Above Rs. 50,000/- and upto Rs. 1,00,000/-</td>
<td>1000/-</td>
<td>10% of (P. sum + OM)</td>
<td>50% of P. sum + Other Money irrespective of any security</td>
<td>BM</td>
</tr>
<tr>
<td>4</td>
<td>Above Rs. 1,00 lakh and upto Rs. 2.00 lakh</td>
<td>1000/-</td>
<td>10% of (P. sum + OM)</td>
<td>P. sum + Other Money irrespective of any security</td>
<td>BM</td>
</tr>
<tr>
<td>5</td>
<td>For Transport Loan cases having sanctioned amount above Rs. 2.00 lakh</td>
<td>1000/-</td>
<td>10% of (P. sum + OM)</td>
<td>P. sum + Other Money irrespective of any security</td>
<td>BM</td>
</tr>
<tr>
<td>6</td>
<td>For cases having loan sanctioned above Rs. 2.00 lakh but upto Rs. 5.00 lakh</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Where MRV is less than or equal to P. sum outstanding:</td>
<td></td>
<td></td>
<td></td>
<td>2000/-</td>
<td>10% of (P. sum + OM)</td>
</tr>
<tr>
<td>(ii) Where MRV of Primary Assets / Equitable mortgage / collateral security is more than P. sum but upto 200% of P.sum outstanding as on 01.04.10</td>
<td></td>
<td></td>
<td></td>
<td>-do-</td>
<td>-do-</td>
</tr>
</tbody>
</table>
(iii) Where MRV or Primary Assets are not sufficient to cover more than 200% and up to 300% of P. sum outstanding as on 01.04.10

<table>
<thead>
<tr>
<th>Method</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>-do-</td>
<td>P. Sum + Other Money + (Interest equal to 40% of P. sum or total interest outstanding less unpaid penal Intt. whichever is less)</td>
</tr>
</tbody>
</table>

(iv) Where MRV of Primary Assets / Equitable mortgage / collateral security is more than 300% and up to 400% of P. sum outstanding as on 01.04.10

<table>
<thead>
<tr>
<th>Method</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>-do-</td>
<td>P. Sum + Other Money + (Interest equal to 60% of P. sum or total interest outstanding less unpaid Penal Intt. whichever is less)</td>
</tr>
</tbody>
</table>

(v) Where MRV of Primary Assets / Equitable mortgage / collateral security is more than 400% of P. sum outstanding as on 01.04.10

<table>
<thead>
<tr>
<th>Method</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>-do-</td>
<td>P. Sum + Other Money + (Interest equal to 80% of P. sum or total interest outstanding less unpaid Penal Intt. whichever is less)</td>
</tr>
</tbody>
</table>

Besides the above, a Scheme for Waiver of Penal Interest in the cases having loan sanctioned upto 31.03.01 having amount of sanction above Rs. 5.00 lakh and classified as 'Doubtful' / 'Loss' as on 31.03.06 is also launched as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Registration Fee (Rs.)</th>
<th>Up-front payment (Rs.)</th>
<th>Account to be settled at</th>
<th>Competent Authority/irrespective of quantum of sacrifice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme for Waiver of Penal Interest for cases having loan sanctioned above Rs. 5.00 lakh</td>
<td>2000/-</td>
<td>15% of (P. sum + OM)</td>
<td>Entire unpaid penal interest may be waived irrespective of any security.</td>
<td>BM</td>
</tr>
</tbody>
</table>

**Mode of Payment**
The recoverable amount will be required to be deposited in two monthly installments from the date of issue of the letter conveying decision of waiver of penal interest alongwith interest at applicable rate upto the date of final payment.
The General conditions and other salient features are proposed as follows:-

1. The cases having loans sanctioned upto Rs. 5.00 lakh belonging to SC / ST / disabled persons / Ex-serviceman / BPL Card holders will be exempted from paying registration fee. Such cases will be registered 'only' by getting deposited the requisite up-front payment prescribed under the Scheme under which they are eligible for OTS.

In an eventuality the cases having loans sanctioned above Rs. 1.00 lakh will be settled below P. sum outstanding plus Other Money plus incentive paid / payable to the Revenue Authorities (where case has been filed u/s 32 (G) with the concerned Collector for action under LR Act). Likewise, the cases having loans sanctioned upto 10000/-, above 10000 but upto Rs. 50000 & above 50000 and upto Rs. 100000, will not be settled below 10%, 35% & 50% respectively of P. sum plus Other Money plus incentive paid / payable to the Revenue Authorities (where case has been filed u/s 32 (G) with the concerned Collector for action under LR Act).

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.

Effect of settlement will be given only after receipt of full amount.

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.

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.

Payment of settlement amount by the party:

In the cases having sanctioned amount upto Rs. 25,000/-, the party will be required to deposit the entire settlement amount within 30 days of the decision of settlement. However, in the cases having sanctioned amount above Rs. 25,000/-, 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). However, interest @ 12% p.a. shall be charged from the first day of the following month of the date of settlement on balance amount.
The last date of deposition of settlement amount (as full and final payment) should not be later than 31.03.2011 in any case. The case will not be allowed to spill-over in the next F.Y.

However, payment of settlement amount as per the Scheme for waiver of penal interest will be required to be paid as per the mode of payment indicated in the Chart.

viii. 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 principal outstanding 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 /SPL Card holders cases having loan sanctioned upto Rs.1,00,000/- 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 so as to reach within 15 days of registration of Appeal for placing the same before HOLC.

ix. GENERAL:

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

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.

x. BMs will give wide publicity to the scheme and will also arrange display of the scheme on the notice board of the branch/DIC/Collector’s office/office of the local bodies/Industries Association etc.

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

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

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

The Nodal officer shall review the attainment made by the concerned branch on monthly basis and provide feedback to the

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.

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 are distributed as per norms.

As far as registration of cases earlier closed/ rejected by Empowered Settlement Committee (s)/ competent authority/ deferred/ idle cases or the cases which were settled upto 31.03.09 with the consent of loanee but loanee either did not deposit any amount or deposited part amount and time allotted has expired, if these are otherwise eligible. However, the cases which were settled after 31.03.09 by Empowered Settlement Committee (s)/ competent authority with the consent of loanee shall not be registered afresh under the scheme.

Defect/ Decretal/ Written off cases will be covered under the prevailing Schemes of the Corporation and such cases shall not be considered/ registered under this scheme.

Competent authority will decide the case within 30 days from the date of registration. For delay the BM will be answerable.

Doubts relating to interpretation of any term or clause or any ambiguity or confusion arising during interpretation or implementation of the scheme shall be referred to the CMD, who shall be the competent authority to issue necessary clarification.
It is mentioned that the Corporation will continue to consider cases of grievances and of hard nature having sanctioned amount above Rs. 5.00 lakh as per the existing mechanism of redressal of grievances.

All concerned are advised to take a note of above and ensure to settle all the eligible cases.

\[Signature\]

(G.S. SANDHU)

CHAIRMAN & MANAGING DIRECTOR

Copy to:

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