

RAJASTHAN FINANCIAL CORPORATION
(ARRC)

No. RFC/ARRC/23-HO/2916

Dated : 18.12.2003

CIRCULAR
(ARRC No. 82)

Reg : Scheme for settlement of Decreeal cases for F.Y. 2003-04

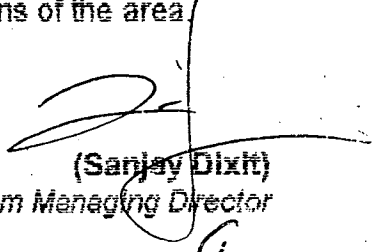
The Corporation has been filing suits for recovery of its dues from the original borrowers and guarantors and substantial expenditure is also incurred in identifying the properties of the borrowers/ guarantors and even after the properties are identified and execution application is filed, the Corporation has not been able to recover the amount effectively. Such borrowers / guarantors have generally shown interest in settlement of their cases by paying decreeal amount if the Corporation decides to forego interest part of the decreeal amount. The matter has been examined and the Board of Directors, in its meeting held on 3rd December, 2003 has approved the Scheme for Settlement of Decreeal cases for F.Y. 2003-04 to effect recovery from these loss cases and to generate more income. The scheme is enclosed at Annexure 'A'.

The scheme is to be operated at the field level, the Branch Managers are enjoined upon to contact loanees individually and to persuade them to avail benefits envisaged under the scheme. Modus-operandi of the scheme would be as under :

- i) Copy of the scheme may be sent to all eligible borrowers latest by 31.12.2003.
- ii) All eligible cases are to be distributed amongst the officers of the Branch with an advise to contact and persuade individual borrowers latest upto 15.01.2004.
- iii) The cases may be registered during the course of visit by depositing Rs.1000/- towards registration fee and 10% upfront amount. In case of upfront amount if not paid immediately PDCs may be obtained (payable ofcourse prior to 31.01.2004).
- iv) The campaign for the left out cases however, shall be organized from 16.1.04 to 31.1.04.
- v) All the cases registered would be attended immediately and a final decision be taken by the BM within a period of 10 days from the date of registration. Whatever cases are registered and upfront amount deposited, post dated cheques for the required balance amount should be taken in advance payable latest by 31.3.2004. In deserving cases, if it is felt that further extension upto 6 months is required beyond 31.3.2004, the post dated cheques for the remaining amount together with current rate of interest may also be collected. However, atleast 50% of settled amount should be collected upto 31.3.2004.

- vi) Soon after final settlement of the account the documents of security available with the Corporation, if any, shall have to be released/ discharged immediately not later than 30 days from the date of last payment.
- vii) A fortnightly progress report will be sent by RO after consolidating information of their BOs to HO (ARRC) in the prescribed format enclosed at Annexure 'B'. The fortnightly report will be despatched by RO immediately. First such report shall be sent for the period upto 15.01.2004.

Since the scheme does not require detailed calculation, it is expected that there will be no practical difficulty in operating the scheme effectively. Our endeavour should be to cover maximum number of cases through persuasion, personal contact and by seeking help of the Industrial Associations of the area /


(Sanjay Dixit)
Chairman cum Managing Director

Encl : as above.

Copy to :

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

**RAJASTHAN FINANCIAL CORPORATION
(ARRC)**

Scheme for settlement of Decreeal cases for F.Y. 2003-04

i) Eligible cases:

- a) All decreeal cases, irrespective of amount, where primary security has been disposed off and decree for deficit amount was obtained upto 31.03.2000.
- b) Decreeal cases, being registered under the scheme for settlement of small loans issued vide circular No. FR-287 dated 30.09.2003 and circular No. FR-289 dated 20.10.2003, would not be covered under this scheme.

ii) Norms for settlement:

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

- a) The decreeal 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 decreeal amount plus other expenses are to be recovered by 31.3.2004.
- c) In case it is felt that the borrower(s) / guarantor(s) are unable to arrange funds and make full payment by 31.03.2004, the borrower(s) / guarantor(s) may be allowed to pay atleast 50% of the settled amount by 31.3.2004 and the remaining amount shall have to be paid upto 30.9.2004 with current rate of interest on the balance amount paid after 31.3.2004. The justification of extension in period may also be recorded on file and no further extension after 30.09.2004 shall be granted.

iii) Relief amount:

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

iv) Registration fee and upfront amount:

The borrower(s) / guarantor(s) against whom decree(s) have been obtained would be required to get their cases registered by depositing Rs.1000/- as registration fee alongwith the upfront amount equal to 10% of the decreeal amount. The upfront amount shall be included in the settlement amount.

v) 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 positively by **31.01.2004**.

vi) Competent Authority:

The competent authority to settle such cases would be Branch Manager, irrespective of his cadre. He shall dispose off the cases within a period of 10 days from the date of registration.

vii) Action after settlement:

- a) The cases where the execution application for decretal 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 within a month.
- b) In cases where execution application has not been filed, soon after the settled amount is received, the Branch Office may release mortgaged documents within a month.
