

**BIHAR STATE FINANCIAL CORPORATION**  
**FRASER ROAD, PATNA-800 001**

**CIRCULAR NO.01/2014-15**

**Re: Introduction of "BSFC One Time Settlement Scheme, 2014"**

The Board of Directors of the Corporation in its meeting held on 18..07.2014 vide agenda items No.14452 has approved an One Time Settlement Scheme for settlement of dues with the loanee concerns in selected categories mentioned below as “**BSFC OTS SCHEME-2014**” in order to reduce substantial NPA in its books of accounts.

BSFC One Time Settlement Scheme-2014, approved by the Board of Directors as aforesaid, is as under:-

**“BSFC One Time Settlement Scheme-2014”**

**1. Eligible Categories**

The following categories of loanees / purchasers/promoters/guarantors would be eligible for One Time Settlement under this scheme:-

- A) All promoters / guarantors whose mortgaged assets have been sold below Balance Outstanding Amount and who have not repaid the balance amount of outstanding dues shown as outstanding in the loan ledger of the original unit, which amount remains to be recovered from the original promoter(s)/ guarantor(s) of the unit.
- B) All promoters/guarantors whose mortgaged assets presently non existent due to reasons beyond their control viz; acquired by Govt./dispossessed due to Court Order or where lease period has lapsed.
- C) All original promoters/guarantors where loans were sanctioned upto the limit of Rs.5.00 lakhs under special schemes prescribed by govt./IDBI/SIDBI viz; Composite Loan, Semfex Loan, Integrated Loan (T.L. & WCTL), MUN Scheme, Educated Unemployed Schemes and loans granted under rental/leased premises.

**Note:** In cases where sale order has been issued and initial cash down payment has been accepted from the purchaser i.e. cases where promoters of these units have not retained assets after issue of sale order within stipulated time shall not be eligible for settlement under this scheme.

**2. Settlement Criteria:**

For the purpose of calculating the settlement amount, the Principal Outstanding Amount in all the loan account/s as on 31.03.2014 shall be the settlement Criteria to determine settlement amount of above categories as below:

2.1 CATEGORY-‘A’ [ALAS (Accounts left after sale)].

Original promoters loan a/c(s) after sale of assets where mortgaged assets of the unit have been sold below Balance Outstanding.

(a) For the ALAS accounts where Principal Outstanding is there in the accounts:

- (i) For cases where loan(s) sanctioned upto 31.03.1990: Settlement amount would be 400% of the Principal Outstanding in the loan account(s) as on 31.03.2014.

- (ii) For cases where loan(s) sanctioned after 31.03.1990: Settlement amount would be 300% of Principal Outstanding in the loan account(s) as on 31.03.2014.
- (b) For the ALAS accounts where Principal Outstanding is not there in the account(s) or where sale has been concluded after 01.04.2007 and Principal Outstanding is not to be there in the accounts in terms of revision in accounting policy of the Corporation; Settlement amount would be :
  - (i) For cases where loan(s) sanctioned upto 31.03.1990: Settlement amount would be 400% of the Principal Outstanding in the loan account(s) just before sale of mortgaged assets of the unit against which loan was their.
  - (ii) For cases where loan(s) sanctioned after 31.03.1990: Settlement amount would be 300% of Principal Outstanding in the loan account(s) just before sale of mortgaged assets of the unit against which loan was their.

## 2.2 **CATEGORY-‘B’**

Where prime/collateral security does not exist or acquired by Govt. Notification/dispossessed by Court order or where lease period has lapsed.

Settlement amount would be 100% of Principal Outstanding amount in all the loan account(s) as on 31.03.2014.

## 2.3 **CATEGORY-‘C’**

Special category:- cases where loan sanctioned upto Rs.5.00 lakhs under special schemes prescribed by Govt./ IDBI/ SIDBI viz-, Composite Loan, Semfex Loan, Integrated Loan ( T.L. & WCTL), MUN Scheme, Educated Unemployed Schemes and loans granted under rental/ leased premises.

Settlement amount would be 100% of Principal Outstanding amount in all the loan account(s) as on 31.03.2014.

## **3. Modalities for payment under the scheme**

The entire settlement amount to be paid with the application form

Or

25% of the amount can be paid with the application form and rest 75% within one month from the date of filing of the application.

All payments are to be made by demand draft for the requisite amount drawn on any Scheduled Bank in favour of “BIHAR STATE FINANCIAL CORPORATION” payable at ‘PATNA’

## **4. Application under the scheme:**

Eligible applicants can make application in the prescribed form with the requisite amount as indicated in para-3 above. Prescribed application form would be on the Website of the Corporation and will also be provided by the Branch Managers of the respective Branch, under which the unit falls.

Figures of Principal Outstanding, required to be filled in the application form, can be filled therein on the basis of record of the Corporation as on 31.03.2014.

The prescribed application form shall be available at fee of Rs.500/- each. However, cost of application form will be Rs.100/- for the applicants eligible under Category-“ B” & “C”.

#### **5. Time limit for filing application under the scheme**

All applications under this scheme is subject to the terms and conditions as mentioned in para- 9 below.

All applications are to be filed at respective Branch, under which the unit falls, within the time limit as prescribed in para 10 below.

Application filed without demand draft for the amount as specified in para-3 above or with demand draft of the insufficient amount shall not be considered valid and shall not be entertained.

#### **6. Waiver of balance amount :**

After full payment of the entire settlement amount under this One Time Settlement (OTS) Scheme by the debtor/loanee concern, as per terms of this OTS scheme, the unpaid Balance Outstanding amount appearing in the loan account/s of the Debtor/loanee concern, in the ledgers of BSFC, shall stand written off and /or waived.

#### **7. Power of Approval :**

The Managing Director of the Corporation is fully authorized to approve settlement under this scheme.

The Branch Managers have been empowered to sanction OTS in case of Composite Loans within the approved criteria. This sanction would be treated provisional subject to final confirmation/approval of the Managing Director, after full payment of the provisional settlement amount.

The Managing Director is also fully authorized to determine necessary modalities of this scheme and also authorized to interpret provisions made under the scheme in case of any dispute within the framework of the scheme.

#### **8. Withdrawal from the scheme:**

If the concern fails to make full payment of entire settlement amount, after application with 25% amount, settlement under the scheme shall be deemed to have been withdrawn without any further communication and original loan account shall continue. The payment so made would be adjusted towards normal dues of the Corporation against the concern.

#### **9. Other terms and conditions**

- (i) Application is to be filed within the period mentioned in this scheme. Application filed after the period of the scheme will not be accepted as application under the scheme, even if accompanied with the demand draft of the amount equivalent to the settlement amount. The payment so made with the delayed application would be adjusted towards normal dues of the Corporation against the concern
- (ii) Application with demand draft can be filed at the branch office with two additional copies of the forwarding application. To avoid rejection due to delay in filing of the application, it should be filed in person and proper receipt for the demand draft and application should be obtained.

- (iii) Proprietor /Partner (duly authorized)/Director(duly authorised by the company by special resolution) can file the application. Any legal heir of the deceased proprietor can file application with documentary evidence about his/her being legal heir. Partner of a partnership firm who applies individually without consent of other partners (legal heir of any deceased partner) or director of a company who applies without being authorized by the company by a special resolution, shall be applying at their own risk because the Corporation would not be releasing documents individually to them.
- (iv) Application which are not accompanied with demand draft (as specified in para 3) above, will not in any way be considered as application under the scheme.
- (v) The Corporation reserves right to summarily reject any application which is incomplete in respect of any part of the application or deficient in application money.
- (vi) No application with dispute of any kind regarding accounts will be accepted. Any application with any kind of dispute will be summarily rejected. No dispute of any kind will be entertained after receipt of application under the scheme. Submission of application under this scheme will imply that promoter(s) of the unit fully agree to their accounts as maintained by the BSFC and they have no dispute whatsoever.
- (vii) Application filed under any other scheme or payment made under any other scheme, at present or in past, would not be adjusted under this scheme.
- (viii) Applicant will not have any type of claim whatsoever over the assets of the unit, already sold. Already sold would mean and include those cases also where possession of the assets have not been delivered, to the purchaser for the valid reason but initial amount of consideration money has been accepted from the purchaser after the loanee failed to retain the mortgaged assets in terms of the sale order.
- (ix) This settlement is only with respect to the term loan accounts of the eligible concerns and not in respect to the Special Capital, Seed Capital, assistance availed by the concerns. Special capital, Seed capital assistance granted by the Corporation will have to be paid in full (without any relief therein) as on the date of final payment of settlement amount of the term loan under this scheme.
- (x) Seed money assistance availed by the concern from DIC or IADA , even if routed through Bihar State Financial Corporation, shall be paid at the DIC or IADA concerned and no dues certificate be obtained from there. Release of documents after settlement will depend on clearance in this regard from the concerned DIC or IADA.
- (xi) After receiving the settlement amount from the concern, the Branch Manager will ensure that the Balance Outstanding in the Special Capital/Seed Capital account of the concern is realised separately and accounting entries are made properly in the loan ledger of the concern. Details of the account be sent to the Finance and Account section at the Head Office, for necessary verification and vetting. Only after vetting of the loan accounts from the Head Office, the Branch Manager concerned will issue No Dues Certificate in favour of the concern and recommend for release of the documents of the concern.

- (xii) Power to interpret the provisions of this scheme, in case of any dispute, within the overall framework of this scheme, vests in the Managing Director of the Corporation.
10. The date of commencement of the scheme shall be 01.09.2014 Applications, in terms of the scheme, will be received upto 31.12.2014 from the date mentioned above. i.e. 01.09.2014.

Sd/-  
( Pradip Kumar )  
Managing Director

Memo No.529

Patna, Dated:26.08.2014

- Copy forwarded for information and compliance to:-
1. All Branch Managers, Bihar State Financial Corporation.
  2. All Sectional Heads, Bihar State Financial Corporation, Head Office, Patna
  3. Dy.Manager I/C (Computer Cell), BSFC, Head Office, Patna for website of Corporation.
  4. M.D.Cell, Bihar State Financial Corporation, Head Office, Patna.

Sd/-26.08.14  
( Nirad Prakash )  
Dy.Manager(Co-ord)

Memo No.529

Patna, Dated:26.08.2014

- Copy forwarded for kind information to:
1. The Principal Secretary, Department of Industries, Govt. of Bihar, Patna.
  2. The Principal Secretary, Department of Industries, Govt. of Jharkhand, Ranchi.
  3. The Director of Industries, Govt. of Bihar, Patna.
  4. The Director of Industries, Govt. of Jharkhand, Ranchi.

Sd/-26.08.14  
( Nirad Prakash )  
Dy.Manager(Co-ord)