

[Extract from the Punjab Govt. Gaz. (Extras), dated the 2nd March, 2009]

GOVERNMENT OF PUNJAB
DEPARTMENT OF INDUSTRIES AND COMMERCE
(INDUSTRIES BRANCH)

Notification

The 2nd March, 2009

No.16/6/09-AS3/380. – The Governor of Punjab is pleased to approve an One Time Settlement Policy for the loanee units of Punjab Financial Corporation as per details given below.

OTS amount : Outstanding principal, expenses plus interest as given below or principal plus expenses alongwith documented rate of interest from the date of disbursement till the cut off date less interest paid on reducing balance basis without adjustment against principal outstanding, whichever is lower:

- For loan upto Rs.1.00 lac : Outstanding Principal plus expenses.
- Cases of Ex-servicemen/Dharmi Fauji, Danga Pirit of Transport Sector, upto Maximum of two vehicles i.e. Buses of Trucks sanctioned Upto 31.12.1995. : Outstanding Principal plus expenses.
- Loan upto Rs.5.00 lacs where Promoters have expired : Outstanding Principal plus expenses.
- Loan upto Rs.5.00 lacs : Outstanding Principal plus expenses plus 20% of outstanding interest subject to a maximum amount not more than double the Principal sanctioned.
- For Loan above Rs.5.00 lacs
 - (a) Gen. loan cases : Principal plus expenses plus 12% interest since beginning compounded half yearly.
 - (b) AAIFR/BIFR cases : Principal plus expenses plus 10% interest since beginning compounded half yearly.
- Loan where Properties / Assets acquired and sold by PFC : Outstanding Principal plus expenses plus 10% of interest outstanding as on the last date of sale.

In no case the OTS amount will be less than the outstanding principal plus expenses.

Eligibility :

- All NPA accounts as on 31st March, 2008 except wilful defaulters.
- Policy to be open for 90 days from 2nd March, 2009.
- The borrowers will pay 15% amount recoverable under the OTS Scheme, upfront and further 15% within one month of acceptance. Balance to be paid in eight equated quarterly instalments alongwith 13.20% rate of interest compounded quarterly.
- If the payment will be made within twelve quarters, the OTS amount carry interest @ 14.4% compounded quarterly.
- If the borrowers make lump sum payment within 90 days, no interest will be charged on the OTS amount and 5% rebate will be given on the OTS amount. Option to be exercised at the time of application.
- Post dated cheques will be submitted for quarterly instalments at the time of settlement.
- All legal cases filed against the corporation by the borrowers shall be withdrawn.

S.S. CHANNY,
Principal Secretary to Government of Punjab,
Department of Industries and Commerce