



**ORISSA STATE FINANCIAL CORPORATION**  
OMP SQUARE, CUTTACK-753 003  
PHONE NO. 2443236.2443337.2443072

## **AN OPPORTUNITY FOR SETTLEMENT OF HIRE PURCHASE (HP) LOAN DUES**

### **GENERAL FEATURES:**

- Time Limit : Effective from 16.06.2005 and the last date of application 15.09.05.
- Initial Deposit : To pay 25% of the principal outstanding as on the date of application along with the application.
- All live cases covered , closed Accounts not be re-opened .
- Settlement amount shall be paid within 90(Ninety) days from the date of settlement order . No further extension of time.

### **SCHEME**

- 1) Simple Interest @ 16% p.a. shall be calculated since avilment of the H P Loan at the reduced balance method till the date of application.
- 2) The amount so arrived above plus the earlier repayments of the hirer altogether shall not be less than the minimum guaranteed amount. However the other charges as accrued (i.e. BCC, Misc. expenses on L/A, Tax etc.) in the loan account shall be recovered in full as usual over and above the settlement amount.
- 3) Simple Interest @ 16% p.a. shall be paid on the settled amount till the date of final payment.

**MANAGING DIRECTOR**

- Note :** (1) CONDITIONS APPLY  
(2) *This advertisement is only for the information of the General Public and does not create/confer any legal rights whatsoever.*

## **DETAIL SCHEME FOR SETTLEMENT OF HIRE PURCHASE (HP) LOAN DUES.**

### **FEATURES**

1. **Eligibility :** All Hire Purchase Loan cases having outstanding in the loan account as on the date of application shall be covered under the Scheme.
2. **Time Limit for operation of the Scheme:**  
The Scheme shall be operative from 16.06.05 to 31.12.05. Application for settlement shall be received from **16.06.05 to 15.09.05.**
3. **Documents required:**
  - (a) Application form dully filled in and signed in full by the Applicant(s) available at Branch Office and in the web-site of the Corporation .
  - (b) Affidavit in the prescribed form available at Branch Office and in the website of the Corporation .
  - (c) Audited Balance sheet and P/L A/c. for the last 3 years in case the HP loan disbursement is more than Rs.10.00 lakh and in case of disbursement less than Rs.10.00 lakh, self certified balance sheet and P/L A/c. signed by the promoter(s) be submitted.
  - (d) Resolution of the Board of Directors for applying for such settlement if the firm is a Company.
  - (e) Any other documents if required subsequently to enable DGMs/BMs to recommend for settlement.
4. **Initial Deposit :-** 25% of the principal outstanding as on the date of application shall be deposited by the unit/ borrower opting for settlement of Hire Purchase loan along with the prescribed Application form and affidavit.
5. **Settlement Formula:**
  - (i) The loan accounts shall be recalculated at the simple rate of 16% p.a. from the date of avilment of loan at the reduced balance basis till the date of Application and the amount arrived at after appropriating the amount already paid, shall be the settlement amount.
  - (ii) The settlement amount so arrived as per SI No.(i)along with the earlier payments in the HP account in toto should not however be

less than the Minimum Guaranteed Amount (MGA) as was fixed during the time of sanction of HP loan, in which case the short fall amount if any shall be recovered to cover up the MGA (MGA means - EMI amt. X No. of installment fixed).

- (iii) Other charges (BCC, Misc. expenses on L/A, tax etc.) accrued in the HP loan account, if any, shall be recovered in full over and above the settled amount.
- (iv) There shall be no refund of any amount in any circumstances.
- (v) The interest calculation shall be made on quarterly rest i.e. March, June, Sept. & December of every year.
- (vi) In case of EMI option scheme, the EMIs deposited by the hirer/unit in advance shall be adjusted at the beginning to arrive at the actual outflow of funds (i.e. disbursement- advance EMI amount).
- (vii) In case of FD option, no adjustment be made at the beginning. However, after maturity/during encashment of FD as per the prevailing norms of OSFC, the amount can be adjusted only after deduction of Income Tax as per norms and on the written consent of the hirer/unit to avoid legal complication in future.

6. Terms of Payment of the settlement Amount :

- (i) The settlement amount shall be paid by the unit /promoter(s) within a maximum period of 90 days from the date of issue of settlement order in the following manner:

**Up Front Payment:-**

Up Front Payment to the extent of 35% of the settled amount( inclusive of initial deposit) shall be paid by the hirer in shape of DD/BC/Cash within 30(thirty) days from the date of communication of settlement order.

**Remaining (Balance) payment of settlement amount**

Balance payment of settlement amount of 65% shall be paid within a period of 90 days (Ninety days) from the date of communication of settlement letter/order.

- (ii) Further interest shall be charged on the settlement amount/balance of the settlement amount @ 16% p.a. till the date of final payment by the unit/promoter(s). No further extension of time shall be allowed.

- (iii) In the event of non-payment of the total settlement amount within the scheduled time, the settlement order shall be treated as withdrawn.

7. Approving Authority.

Particulars	Approving Authority
If the HP loan disbursement is up to Rs.10.00 lakh/Rs.15.00 lakh respectively	BMs/DGMs of the Branch Office respectively
If the HP loan disbursement is more than Rs.10.00 lakh/ Rs.15.00 lakh respectively and up to Rs.30.00 lakh	Managing Director
If the HP loan disbursement is more than Rs.30.00 lakh	Executive Committee

8. Other Terms & Conditions:

- (a) Only valid applications (i.e. application in the prescribed form along with initial deposit and affidavit) shall be processed for settlement of HP Loan dues.
- (b) This is an independent scheme and having no link with Term loan(s)/ Other Agency loans and cyclone loan etc.
- (c) In case, the payment date(s) fall on Sunday or any holidays, the next (succeeding) day shall be treated as the date of payment.
- (d) The above guidelines of the Scheme will not be in supersession of the contractual obligation subsisting between the OSFC and the borrowers as per the terms and the conditions as contained in the loan agreement executed by the party in favour of the Corporation and thus notwithstanding anything contained herein above, the Corporation may consider any matter pertaining to any loan case and take a decision on the basis of the circumstances and merit of each case. It is further clarified that any borrower as a matter of right can not claim the benefits accruing from this scheme.

**ANNEXURE-I**

**ORISSA STATE FINANCIAL CORPORATION**

**Head Office: OMP Square, Cuttack-753003**

**Tel:0671-2443325,2443072,2443236,2443923,2443337,**

**Fax: 0671-2443644,2444193**

**Website: [www.osfcindia.com](http://www.osfcindia.com)**

**APPLICATION FOR SETTLEMENT OF HP LOAN DUES**

1. Name of the unit/Firm/Company
  
2. Address :
  - (i) Factory : Tel./Fax:
  - (ii) Regd. Office : Tel./Fax
  
3. Constitution :Proprietorship/Partnership/  
Private Limited Company/  
Public Limited Company/  
Others(Pl. Specify)
  
4. Date of Establishment :
  
5. P.M.T No. & Date :
  
6. Details of factory premises :  
(leased/owned)
  
7. Nature of industry and products :
  
8. Name of the Banker and address:  
Account No.
  
9. Nature of facility availed : CC/OD/OPG/Others (Pl. specify)

10. Whether any facility of settlement of loan availed from the Bank/OSFC :	Year of settlement	Amount settled.	Whether paid in full. Yes/No	Whether NDC issued.
	1	2	3	4

11. Details of associates/sister Concerns :

(Rs. in lakh)

Sl. No.	Name of the Concern	Name of Banker/Financier	Nature of Facility	Outstanding Liability	Default (if any)
1.	2.	3.	4.	5.	6.

12. Brief history of the concern :

13. **Loan availed from OSFC** : Year of availment Amount availed  
 [T.L.(s)/STWC/HP/Agency loan(s) separately.]

14. **Loan repaid** : Year Amount  
 [Out of T.L.(s)/STWC/HP Agency loan(s) separately]

15. Any other loan availed from the Corporation either in his/her name or in the name of any family members. If yes, details of such loans/Firm/Company :

16. **Reasons for non-payment of the dues in time.** :  
 (With specific reasons for non-payment of **HP** loan).

17. Terms of Repayment as per the Scheme parameters :
18. Whether Initial deposit(i.e.25% of Principal Outstanding was deposited along with the Application dt..... If yes, the details of payment/Money Receipt No. with date :
19. Whether the affidavit & declaration for settlement of HP Loan are enclosed : Yes/No.

I/we do hereby undertake that I/We will continue payment towards my/our current dues in terms of loan agreement pending settlement of dues under the captioned scheme. I/We shall not have any claim on delay decision and/or an unfavourable decision on my/our loan settlement proposal since such decision of the Corporation is to be taken through sacrificing its legitimate claims/dues. I/We will not have any claim in case the Corporation forfeits the initial deposit on non-compliance of the terms and conditions of the Scheme by me/us either in part or full within the stipulated time as prescribed in the Scheme and the Corporation will be at liberty to initiate any action under the law for realisation of its dues during pendency of the settlement proposal.

Name with Signature of the Loanee  
Place:  
Date:

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**Acknowledgement of HP Loan Settlement Application**

Received the HP loan settlement application from M/s./Sri .....with initial deposit of Rs. on Dt.....in shape of DD/Cash/pay order/Banker's Cheque vide OSFC MR.No.....Dt.....along with other required documents as prescribed in the HP Loan Settlement Scheme.

Name of the Receiving Officer with Seal  
Place :  
Date :

**ANNEXURE-II**

**DECLARATION FROM APPLICANT IN THE FORM OF AFFIDAVIT**

(Before the Executive Magistrate/Notary Public).

(TO BE TYPED ON NON-JUDICIAL STAMP PAPER WORTH RS.20/-)

I/We.....aged  
about.....S/O.....residing at.....P.O:.....  
P.S..... District.....the Proprietor/Partner/authorised Director(s)  
of M/s.....solemnly declare and affirm as follows:

1. I/We have applied to Orissa State Financial Corporation (hereinafter called Corporation) for settlement of my/our HP loan account, vide my/our application Dt:..... I/We hereby accept the parameters and guidelines along with the settlement formula communicated to me/us by the Corporation vide its letter No./Notice/Advertisement in Newspaper Dt.....and hereby agree to make payment of the dues of the Corporation accordingly within the time limit prescribed for the same under the Settlement Scheme.

2. I/We hereby further undertake that:

(i) I/We am /are a proprietor/partner/Director M/s.....  
which has availed financial assistance from the Corporation.

OR

I/We am/are not a proprietor/partner/Director in any other unit, which has availed financial assistance from the Corporation.

(ii) That, the assets of the unit are in my custody and possession and no part of it was disposed.

(iii) That, I/We have not defaulted willfully in repayment of my/our dues to the Corporation and no portion of my/our income was diverted either for creation of assets or by way of investment in other ventures, either in my/our name(s) or in the name of any other person (s).

(iv) That, I/We had acquired assets in my/our favour/in favour of.....and the assets are situated over Plot No..... Mouza.....

(v) That, I/We have not committed any fraud or malfeasance while taking the loan creating security or during the sustenance of the loan.

(vi) That, I/We confirm that there is an outstanding liability of HP loan of Rs.....as on 31.3.2005 and if the settlement of HP loan is not accepted for whatsoever reasons or in the event of exercise of the right of requisition by the Corporation I/We promise to pay the said amount with further interest accrued/ to be accrued thereon and further agree that the said amount may be realized by the Corporation under any other law for the time being in force.

(vii) That, I/We am/are Income Tax Assesses(s) having PAN No.....and I/We am/are paying my /our Income Tax dues regularly.

(viii) That, I/We am/are solvent and am/are capable to pay the settled amount under the HP Settlement Scheme within the stipulated period.

(ix) That, till the loan is fully cleared the assets under hire purchase shall be held by me in trust and I/We shall keep the assets as the property of the Corporation and any infringement shall be a breach of trust.

- (x) I/We hereby authorise the Corporation to forfeit the initial deposit deposited for settlement of HP loan/adjust the part payment of the loan/payment of interest as if there is no settlement of HP loan in case of my/our failure to pay the balance amount within stipulated period from the date of issue of settlement order by the Corporation for the same.
- (xi) I am/we are also aware that the Corporation has right to withdraw the concessions granted to me/us/the company/firm on the basis of this application, if it appears to the Corporation that false or misleading or incorrect or untrue information is given by me/us or any material information having bearing on the decision on my/our application is suppressed or misrepresented by me/us and the decision of the Corporation in this regard shall be final.
- (xii) I/we am/are also aware that the Corporation shall not be liable for payment of any institutional/statutory dues of any type lying against my/our unit /vehicle and I/we alone shall be liable for payment/settlement of such dues if any.

3. That the facts stated above are true to my knowledge and belief.

**Deponent**

**Identified by me  
Advocate.**

**Certificate**

Certified that Sri/.....S/o.....is present before me and signed this affidavit in my presence.

**Advocate.**

**Executive Magistrate/Notary Public**