**KARNATAKA STATE FINANCIAL CORPORATION**

**BRANCH OFFICE:-------------**

Sub : Settlement proposal-Pre-MoU account under MCAR Scheme *(Amendments 2021)*

*in respect of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

1. **Particulars of the Borrower / Company :**

| 1 | NAME OF THE UNIT / PARTY & ADDRESS |  | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 2 | ACCOUNT NUMBER |  | | | | |
| 3 | CONSTITUTION  *PROPRIETARY / PARTNER-SHIP / COMPANY)* |  | | | | |
| 4 | NAME OF THE PROPRIETOR/ PARTNERS / DIRECTOR/S |  | | | | |
| 5 | NAME OF THE GUARANTOR/S |  | | | | |
| 6 | LOAN DETAILS  *(TO SHOW SSC PORTION SEPARATELY)*\* | *Date of Sanction* | *Amount.*  *Sanctioned* | *Amount Disbursed* | *Rate of*  *Interest* | *Remarks* |
|  |  |  |  |  |
| 7 | PROMOTERS CLASS  (*SC / ST / BC / MC / GENERAL)* |  | | | | |
| 8 | ACTIVITY / PRODUCT |  | | | | |
| 9 | SCHEME UNDER WHICH LOAN IS SANCTIONED |  | | | | |

*\* Loan details shall include assistance like lease/NCD/HP/DPG/Factoring, equity participation if any.*

1. **Demand, Repayment and Current Dues:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 10 | TOTAL DEMAND  Principal  Interest    Other debits  TOTAL: | | *TERM LOAN* | | *SSC* | | |
| *NORMAL*  *(10/03/2020)* | *SI*  *(as on date)* | *NORMAL*  *(10/03/2020)* | | *SI*  *(as on date)* |
|  |  |  | |  |
|  |  |  | |  |
|  |  |  | |  |
|  |  |  | |  |
| 11 | REPAYMENT RECEIVED SO FAR:  Principal  Interest    Other debits  TOTAL: | | *TERM LOAN* | | *SSC* | | |
| *NORMAL* | *SI* | *NORMAL* | | *SI* |
|  |  |  | |  |
|  |  |  | |  |
|  |  |  | |  |
|  |  |  | |  |
| 12 | Mode of Repayment  By direct payment  By sale of assets  By subsidy  TOTAL: | |  | | | | |
|  | | | | |
|  | | | | |
|  | | | | |
|  | | | | |
| 13 | PRESENT DUES POSITION    Principal  Interest    Other debits  TOTAL: | | *TERM LOAN* | | *SSC* | | |
| *NORMAL*  *(10/03/2020)* | *SI \*\** | *NORMAL*  *(10/03/2020)* | | *SI\*\** |
|  |  |  | |  |
|  |  |  | |  |
|  |  |  | |  |
|  |  |  | |  |
| \*\* *Provide SI calculation as on date of proposal, if the settlement is as per formula A and B; If the settlement is as per formula C and D, provide calculations up to 10/03/2020.* | | | | | | | |
| 14 | DUES POSITION  *as on date of NPA \_\_\_\_\_\_\_\_\_*  Principal  Interest    Other debits  TOTAL: | *TERM LOAN* | | | | *SSC* | |
| *NORMAL* | | | | *NORMAL* | |
|  | | | |  | |
|  | | | |  | |
|  | | | |  | |
|  | | | |  | |
| *Differential Interest amount(13-14)* |  | | | |  | |
| 15 | STATUS OF ASSET CLASS | The account has been prudentially written off. | | | | | |

1. **Security Details:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16 | DETAILS OF SECURITY AVAILABLE: | | | *Memorandum value* | | *Present Value at* | | | | | | |
| *SR rate* | | | | *Market rate* | | |
| *Land* | | |  | |  | | | |  | | |
| *Building* | | |  | |  | | | |  | | |
| *Plant & machinery* | | |  | |  | | | |  | | |
| *Collateral security* | | |  | |  | | | |  | | |
| *Others* | | |  | |  | | | |  | | |
| *NOTE : Basis for market valuation :*  *(valuation report enclosed)* | | | | | | | | | | | | |
| 17 | DETAILS ON SALE OF ASSETS : | | | *No of Advertisements* | | *Highest Value Recieved* | | | | | | |
|  | *a)Primary Security* | | |
|  | *Land & Building* | | |  | |  | | | | | | |
|  | *Plant & machinery* | | |  | |  | | | | | | |
|  | *b) Collateral Security/ties* | | |  | |  | | | | | | |
|  |  | | |  | |  | | | | | | |
| 18 | DETAILS ON PERSONAL PROPERTIES : | | | *Investigation Report/s to be enclosed* | | | | | | | | |
|  | WHETHER AFFIDAVIT FROM PROMOTERS / GUARANTORS ARE OBTAINED: | | | | | | | | | | | |
| ***a) Details of net-worth declared at the time of loan sanction:*** | | | | | | | | | | | | |
|  | Immovable property details like location, measurement etc., | | | | | Owned by | | | | Value | | |
|  | | | | |  | | | |  | | |
| ***b) Details of personal property identified :*** | | | | | | | | | | | | |
| Details of the Property/ies | | Name of the Owner | Value of the Property  *(as per MCAR-2021 guidelines)* | | | | | %ge of share  *(in case ancestral or joint property)* | | | Whether attached | |
| SR Value | | Market Value | | |
|  | |  |  | |  | | |  | | | YES/NO | |
| ***c) Liabilities if any on these property/ies:*** | | | | | | | | | | | | |
| ***d) Net value of personal property/ies:*** | | | | | Valuation\*\*\* | | Less liabilities | | Net  Valuation | | | 50 % of Net Valuation |
|  | |  | |  | | |  |
| ***e) Present status of PG petition filed if any:*** | | | | |  | | | | | | | |
| ***\*\*\* Valuation is Guidance Value / SR value, plus 25% of the difference between SR value and Market value.*** | | | | | | | | | | | | |

1. **Other Information:**

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| --- | --- | --- |
| 19 | LITIGATION / COURT STAY / INJUNCTION / PENDING BEFORE NCLT & NCLAT AND OTHER FORUM IF ANY |  |
| 20 | PRESENT WORKING STATUS OF THE UNIT |  |
| 21 | STAFF ACCOUNTABILITY IF ANY  *(if settlement involves write-off)* |  |
| 22 | OBSERVATION OF PRE-AUDIT  *(if settlement involves write-off)* |  |
| 23 | OTHER FINANCIAL DETAILS: |  |
| **(a) Financial analysis of the applicant unit:**   |  |  |  |  | | --- | --- | --- | --- | | ***Financial year*** |  |  |  | | *Turnover / gross receipts* |  |  |  | | *Depreciation* |  |  |  | | *Net profit / loss* |  |  |  | | *Cash profit / loss* |  |  |  | | *Capital + reserves / accumulated loss* |  |  |  | | | |
| **(b) Name of the associate concern (if any) :**   * + 1. ***Nature of association :***     2. ***Financial analysis of associate concern :***  |  |  |  |  | | --- | --- | --- | --- | | ***Financial year*** |  |  |  | | *Turnover / gross receipts* |  |  |  | | *Depreciation* |  |  |  | | *Net profit / loss* |  |  |  | | *Cash profit / loss* |  |  |  | | *Capital + reserves / accumulated loss* |  |  |  | | | |
| 24 | DETAILS OF LOAN / ASSISTANCE AVAILED BY OTHER INSTITUTIONS LIKE KSIIDC,  BANK ETC   | a) | *Name of the institution / bank* | *-* | | --- | --- | --- | | *b)* | *Name of the lead institution in case of joint finance* | *-* | | *c)* | *Amount sanctioned* | *-* | | *d)* | *Present liability* | *-* | | *e)* | *Details of recovery initiated* | *-* | | *f)* | *OTS offered by them if any* | *-* | | |

1. **Recommendation of the Default Review Committee:**

|  |  |
| --- | --- |
| 25 |  |

1. **Applicable Settlement formula as per MCAR Scheme*-(Amendments 2021):***

|  |  |  |  |
| --- | --- | --- | --- |
| 26 | **Category** | **Minimum Resolution Amount** | **Applicable Category** |
| A | Where the value of primary assets is more than amount payable on 2 times of SI \* | Disbursement amount + other debits + 2 times the SI demanded less repayments, without any write off. | Applicable/  Not Applicable |
| B | Where the value of secured assets + 50% of net value of PP assets is more than the amount payable on SI basis and not falling under `A' above. | On SI basis *(i.e., disbursed amount + other debits + SI demanded less repayments)* without any write-off. | Applicable/  Not Applicable |
| C | Where the value of secured assets + 50% of net value of PP assets is less than the amount payable on SI basis and more than 30% of [PD+OD] | 75% of value of secured assets + 50% of net value of PP assets OR 30% of P+OD whichever is higher. | Applicable/  Not Applicable |
| D | The secured assets are sold / realised and net value of PP assets is -nil- or less than 30% of [PD+OD]. | Maximum possible amount as determined by the Sub-Committee of the Board chaired by the Managing Director and recommendation of the Sub-Committee will be placed before the Board. | Applicable/  Not Applicable |

1. **Office Recommendation with Justification:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 27 | The recommended Settlement amount is as follows:   |  |  | | --- | --- | | **Particulars** | **Settlement Amount** | | 1. *As per settlement formula* |  | | 1. *Additional concession of 25% on a) above* |  | | 1. *Additional concession of 25% on a) above* |  | | 1. ***Net Payable Amount*** |  |  |  |  | | --- | --- | | 1. *Total Recovery including the above net resolution amount.* |  | | 1. *IRR on the total recovery as at e) above* |  | |

**Note:**

*The office recommendation should cover the major events during sanction, implementation, recovery etc., including change of management, thefts, malpractices, recovery actions, court cases, efforts made to sell primary assts, collateral security, investigation of personal properties etc.,*

*Request of the promoters / guarantors / third party with reasons for accommodating the request.*

*The office should justify with reasons for proposing settlement under MCAR 2021.*

*The office recommendation should elaborate on eligibility for any additional concessions as per MCAR Scheme (Amendments 2021) in the proposal with proper justification and supporting document.*

*In case the settlement is by third party / limited liability / release of personal guarantee / release of personal property / any other situation whereby the account is not closed; the office should elaborate on the proposal / avenues available for recovery.*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 28 | Details of Sacrifice   |  |  | | --- | --- | | **Particulars** | **Rs.** | | 1. *Write off of Principal* |  | | 1. *Waiver of Interest* |  | | 1. *Withdrawal of unapplied interest* |  |   **Note:**   * + - 1. *If the Settlement amount is more that the dues as on the date of NPA; there will be no write-off, no waiver of interest. Only unapplied interest to the extent not recovered will be withdrawn.*       2. *If the settlement amount is less than the dues as on the date of NPA but more than P+OD, the proposal will not involve any write off but only waiver of interest to the extent not recovered and withdrawal of unapplied interest.*       3. *If the settlement amount is less than the P+OD then the proposal will involve write-off of principal to the extent unrecovered, waiver of interest as on the date of NPA & withdrawal of unapplied interest.* |

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| 29 | **Financial Implications:**  The account is prudentially written-off as on date. The entire amount will be accounted as profit. |

***Recovery Officer DGM(Recovery) / Branch Manager***

***General Manager / Executive Director***