

Department of Finance

Debt Management Division

Notification

6/21/2015-FIN (DMU)

Government of Goa is pleased to notify the Exit Policy for distressed beneficiaries under the Chief Minister's Rojgar Yojana (CMRY)/Dr. Verghese Kurien Rojgar Yojana (VKRY). The eligibility criteria and the operational guidelines in respect of the said scheme as transcribed overleaf for ready reference of the general public.

The scheme shall be effective from the date of publication of this notification in the Official Gazette.

By order and in the name of the Governor of Goa.

Meena Priolkar, Under Secretary, Finance (Bud-II).

Porvorim, 16th September, 2015.

Exit Policy for distressed beneficiaries under the Chief Minister's Rojgar Yojana (CMRY)/Dr. Verghese Kurien Rojgar Yojana (VKRY)

Introduction.— As mandated and sponsored by the Government of Goa, the EDC Limited has formulated and has been implementing the Chief Minister's Rojgar Yojana (CMRY) Scheme, since the year 2001. Over the years, the Scheme, which has undergone amendments and modifications in keeping with changing demands, has generally been successful in meeting its objectives of encouraging and providing self employment to locals, thereby reducing unemployment in the State.

Overall, the large number of beneficiaries financed under the Scheme have succeeded in their ventures and have repaid or are in the process of repaying their loan regularly. However, there are several others who have not been able to repay their loan due to various factors beyond their control, such as, death or disability of the borrower, natural

calamities, major sickness of the borrower or next of kin or other circumstances leading to failure of the financed venture.

The Government of Goa has decided to give much needed relief to such beneficiaries by introducing the 'Exit Policy' for distressed beneficiaries under the Chief Minister's Rojgar Yojana Scheme which is now renamed as Dr. Verghese Kurien Rojgar Yojana (VKRY).

Short title and commencement.— The Scheme shall be named as the 'Exit Policy for distressed beneficiaries under the Chief Minister's Rojgar Yojana (CMRY)/Dr. Verghese Kurien Rojgar Yojana (VKRY) Scheme'. The Scheme shall come into force from the date of its publication in the Official Gazette and shall remain in force for a period of 5 years or such further extended period as may be notified by the Government.

Objectives.— The main objectives of the Scheme are:—

(1) To provide relief to the next of kin of beneficiaries of the CMRY/VKRY Scheme who have already expired during the currency of their loan, as well as future casualties, from the loan liability of the deceased borrower.

(2) To provide relief to those CMRY/VKRY beneficiaries who have suffered permanent disability during the currency of their loan, as well as those who may suffer unfortunate disability in future.

(3) To provide relief to those CMRY/VKRY beneficiaries who have suffered losses/may suffer losses in their financed venture, due to natural calamities or disaster or technical obsolescence of the financed assets/venture.

(4) To provide relief to those CMRY/VKRY beneficiaries who have suffered/may suffer losses in their financed venture during the currency of their loan and the Exit Policy Scheme in view of impact of market conditions on a particular sector in the State or Country as announced/approved by the Government or any justified reason.

(5) To provide relief to those CMRY/VKRY beneficiaries who have incurred huge expenditure on major sickness of self or close family member, thereby affecting the operations of their business, resulting in incurring heavy losses.

Scope of the Scheme.— The Scheme covers all the loanees under the Chief Minister's Rojgar Yojana (CMRY)/Dr. Verghese Kurien Rozgar Yojana (VKRY) Scheme, who have availed financial assistance under the said Schemes from EDC Ltd., from the year 2001 onwards. The Scheme shall also include Share Capital Assistance to Local Entrepreneurs and Self Employed Scheme of DITC, which is made applicable to the CMRY/VKRY beneficiaries. The Scheme is devised to provide relief to the eligible beneficiaries under the Scheme in the following three categories:—

(1) *Category 'A'*: It covers those CMRY/VKRY loanees who have already expired during the currency of the loan and prior to coming in force of the Exit Policy Scheme and having outstanding loan accounts, as well as future casualties, during the currency of their loan.

(2) *Category 'B'*: It covers those CMRY/VKRY beneficiaries who have suffered permanent disability during the currency of their loan and prior to coming in force of the Exit Policy Scheme and having outstanding loan accounts and also those who may suffer permanent disability in future.

(3) *Category 'C'*: It covers those beneficiaries who have been rendered incapable to repay the entire loan due to natural calamities or weak financial position as a result of critical health of borrower or dependant family member or adverse market conditions or impact on a particular sector in the State or Country as announced/approved by the Government or any other justified reason.

The Scheme provides for relief from repayment of outstanding borrowed loan amount, as per applicability to those eligible, on case to case basis.

The Exit Policy Scheme

CATEGORY 'A'.— In case of Death of the CMRY/VKRY beneficiary during the currency of loan:—

Eligibility.— All accounts pertaining to the CMRY/VKRY Scheme, which is being implemented by EDC Ltd., since 2001, and where death of the beneficiary has already occurred and in case of future casualties.

Procedure.— (i) In case of death of the beneficiary, during the currency of the loan, the legal heir(s)/relative(s) (next of kin)/ /guarantor(s), may furnish a Death Certificate of the beneficiary along with a letter informing of the death of the beneficiary and requesting waiver of entire outstanding loan of the deceased.

(ii) Upon receiving such a letter, EDC Ltd., shall stop debiting interest on the loan account of the deceased beneficiary.

(iii) The above request along with relevant documents shall be placed before the Task Force Committee, hereafter referred as the TFC, under Chief Minister's Rojgar Yojana, hereafter referred as CMRY and the Dr. Verghese Kurien Rojgar Yojana, hereafter referred as VKRY, for its consideration, as applicable under this Scheme.

(iv) The TFC is authorized to recommend waiver of entire outstanding EDC Term Loan together with interest, cost and expenses, if any, and also outstanding Share Capital financed under the Share Capital to Local Entrepreneurs and Self Employed Scheme (hereafter referred to as Share Capital) of Directorate of Industries, Trade & Commerce (hereafter referred as DITC) including interest, if any, of the deceased beneficiary. TFC shall also recommend handing over possession of the financed fixed asset(s), and or current assets, if any, to the legal heir(s) of the deceased beneficiary.

(v) The above clause (iv) shall also apply in case of existing beneficiaries under the CMRY/

/VKRY Scheme, where death of the beneficiary has already occurred, prior to coming in force of the Exit Policy.

(vi) The recommended waiver to be placed before the 'Competent Authority' as detailed under this Exit Policy Scheme, for ratification/ approval of the proposal.

(vii) The financed assets, if any, shall be transferred in the name of the spouse of the deceased, if married or the parent(s), if unmarried or the legal heir.

(viii) In case the death of the beneficiary occurs subsequent to taking legal action, then the TFC is authorized to consider any request for waivers received from the legal heirs, on the same lines as would be done if the death had occurred prior to taking legal action. The waiver in this case would also include all legal charges, which shall be borne by EDC Ltd.

CATEGORY-'B'

In case of permanent disability of the CMRY/ VKRY beneficiary during the currency of loan:—

Eligibility & Procedure.— (i) In case of permanent disability of the beneficiary, the beneficiary may furnish a medical certificate from Goa Medical College, indicating the type and extent of disability suffered by him/her, to be eligible under the Scheme or a certificate that will certify that the applicant is not capable to carry on the business for which the loan was granted, in view of the permanent disability occurred during the currency of the loan. The said certificate should be accompanied by a request letter stating the extent of waiver desired by him/her.

(ii) The above request along with relevant documents to be placed before the Task Force Committee (TFC), for consideration.

(iii) If the said disability amounts to total and permanent disability, certified to be leading to incapacitating the beneficiary from carrying out the financed activity, then the TFC is authorized to treat the case on the same lines as stated in clause (i) of Category 'A' of the Scheme, including applicability of all other relevant clauses.

(iv) In all other disability cases, the disabled beneficiary to convey whether he proposes to continue to enjoy the financed fixed asset(s), if any. In case the beneficiary decides to continue to enjoy the said financed assets, EDC shall carry out valuation of the same, to enable TFC to decide on the waiver to be granted, if any.

In case the beneficiary surrenders the financed asset(s), the same shall be disposed off by following normal procedures of disposal. The proceeds from the same to be set off against the balance principal dues. Interest on term loan/share capital, costs and expenses, if any shall be waived. Excess, if any, shall be paid to the disabled beneficiary.

(v) In such disability cases requiring balance recovery, TFC to consider the request on its merits and recommend suitable waivers for approval of the Competent Authority, depending upon the genuineness of the application and gravity of disability.

(vi) Upon approval of the Competent Authority, EDC to convey its decision to the beneficiary, alongwith schedule of repayment of balance amount, if any.

CATEGORY-'C'

In case of incapacitance to repay the loan due to weak financial position/critical health of the dependent family members(s) of the beneficiary/adverse market conditions and any other justified reason:—

Eligibility.— All accounts pertaining to the CMRY/VKRY Scheme, which is being implemented by EDC Ltd., since the year 2001 and which are categorized as doubtful or loss as on 31st March of the preceding financial year and falling in either of the following categories:—

Category: (I) Cases where the beneficiary or his family member(s) who are solely dependent on him/her, like his/her spouse/parents/ children/siblings is suffering from terminal diseases/incapacitance/death and as such, he/ she is unable to carry out the business activity or has/had to part substantial portion of the financed business income towards medical expenses of the said dependent family

member(s) and hence not in a position to repay the loan.

Procedure & Waiver.— In such cases, the applicant along with request for waiver/ settlement, shall furnish documentary evidence like medical report, details of expenditure towards critical health of dependent family members, etc., in support of his/her claim. The above request along with relevant documents to be placed before TFC for decision on waivers to be granted.

The TFC after satisfying itself of the genuineness of the request could consider granting relief to the beneficiary, broadly based on the following guidelines:

Duration of sickness	Waiver
(a) Sickness/disease resulting in upto 60 days of hospitalization/ treatment	: Waiver of upto 6 EMIs.
(b) Sickness/disease resulting in 2 to 6 months of hospitalization/ treatment.	: Waiver of upto 12 EMIs.
(c) Sickness/disease resulting in more than 6 months of hospitalization/ treatment.	: Waiver of upto 50% of balance outstanding principal amount and accumulated interest.

Category: (II)

The promoter is not in a position to pay dues, partly or fully, due to weak financial position, as a result of adverse business conditions due to natural calamities or disaster or technical obsolescence of the financed assets/activity or impact on a particular sector in the State or Country, as announced/ approved by the Government or any other justified reasons.

Procedure.— The Applicant in this category shall make a written request justifying the reasons for seeking relief under the Scheme, together with supporting documents. On receipt of the request, EDC shall prepare a factual report of the unit and the beneficiary and give its recommendations for the consideration of TFC.

(ii) In case of Court/PMRA case, the beneficiary shall also pay the miscellaneous expenses, like advocate fees, DRO charges, valuation fees, etc., in addition to the settlement amount or act as directed by the TFC/Competent Authority, in the matter.

(iii) TFC to decide the quantum of waiver of interest and/or principal dues, on case to case basis. Such a decision of the TFC has to be as unanimous decision. TFC shall thereafter recommend the case to the Competent Authority, under the Exit Policy.

Competent Authority under the Scheme.— Following shall be the Competent Authority under the Exit Policy Scheme for granting reliefs as recommended by the CMRY/VKRY TFC, including powers to waive interest and/ or principal dues of the beneficiary:

Financial limits for waivers	Competent Authority
(a) Waiver of interest and/or principal amount of EDC Term Loan and DITC Share Capital upto Rs. 2.00 lakh.	: To be approved by CMRY/VKRY-TFC and approved by Chairman CMRY/VKRY TFC.
(b) Waiver of interest and/or principal amount of EDC Term Loan and DITC Share Capital above Rs. 2.00 lakh upto Rs. 5.00 lakh.	: To be recommended by the CMRY/VKRY-TFC and approved the EDC Board.
(c) Waiver of interest and/or principal amount of EDC Term Loan and DITC share capital above Rs. 5.00 lakh.	: To be recommended by CMRY/VKRY TFC and approved by the Government.

Other Terms & Conditions.— (i) The TFC shall also work out a schedule of repayment for the unwaived amount, based on the capacity to pay and considering the request of the beneficiary.

(ii) The TFC shall have/reserve the right to reject any application without assigning any reason thereof.

(iii) In case the beneficiary fails to repay the unwaived portion of the loan within the stipulated period as per schedule of repayment approved by TFC, then grant of any further

extension for repayment of the settlement amount, at the request of the beneficiary, would rest with the TFC.

(iv) In the event it comes to the notice that the beneficiary/guarantor(s) have submitted any false documents or have misinformed or have concealed any other information from EDC/TFC, which could have a bearing on the Exit Policy decision, then irrespective of the payments made in the account, the Exit Policy arrangement shall be cancelled outright by EDC, upon approval of the TFC. Further, all payments made as approved under the Exit Policy shall be adjusted against original loan dues and coercive action for recovery shall be taken.

(v) The loanee beneficiaries of the Exit Policy shall not be eligible for further loan assistance under the CMRY Scheme/Dr. Verghese Kurien Rojgar Yojana.

(vi) Any waivers granted under this Scheme pertaining to the DITC Share Capital, shall be as per above provisions. It shall have over-riding effect on any such provisions of the DITC Share Capital Scheme.

(vii) There shall be no relaxation of any guidelines beyond the scope of the Scheme.

(viii) The Government shall be empowered to issue instructions for removal of any difficulty which may arise out of implementation of this Scheme.

Payment of Compensation to the financing agencies.— EDC to be compensated to the extent of the principal outstanding of the loan account, from the “Contribution Corpus Fund”. Waiver of the interest accrued, if any, shall be placed before the EDC Board for its consideration of write-off or steps to be taken as directed by the Competent Authority in this regard. Similarly, waiver of Government funds i.e. Share Capital financed to the beneficiary under the Scheme of the Directorate of Industries, Trade & Commerce, shall be compensated to the Department, through the Contribution Corpus Fund. Interest accrued, if any, shall be waived by the Competent Authority.

Formation of Contribution Corpus Fund.— (1) The Contribution Corpus Fund shall be created by the Finance Department,

Government of Goa and managed by EDC on its behalf.

(2) The funds for the Contribution Corpus shall comprise of the following:—

(a) Transfer of accumulated amount contributed by the beneficiaries of the Chief Minister's Rojgar Yojana (Revised) Scheme between 16-08-2003 to 31-03-2012 in the erstwhile “Insurance Cover Fund”, presently with EDC Limited.

(b) Transfer of deductions made towards the “Contribution Corpus” from the CMRY beneficiaries from 01-04-2012 onwards, presently with EDC Ltd.

(c) The amount recovered as penal interest @ 8% p.a. on defaulted DITC Share Capital repayment from the beneficiaries of Dr. Verghese Kurien Rojgar Yojana and the beneficiaries of Chief Minister's Rojgar Yojana who opt for the Goa State 25% Subsidy for Self Employed Scheme of DITC.

(d) The Government could make an initial lumpsum Contribution to the Corpus.

3. The General Manager, (CMRY/VKRY Recovery) shall be the Corpus Manager for the Contribution Corpus Fund.

4. The said fund shall be deposited in a separate account to be opened, operated and managed by the EDC Ltd., on behalf of Finance Department of Goa.

5. A ‘Corpus Management Team’ comprising of the Corpus Manager and representative each of Finance Department, Government of Goa, and DITC, shall be approving authority for release of funds from the Corpus and shall also monitor the Contribution Corpus Fund.

6. The claims duly approved by the competent approving authorities under the ‘Exit Policy’, would be settled on quarterly basis, from the available funds in the Contribution Corpus Fund.

7. In case the available funds in the Contribution Corpus is inadequate to clear the claims approved under the ‘Exit Policy’, then the Government shall financially support the Contribution Corpus by way of additional grants or annual Budgetary allocation or through such other means.