

14(b) 217th BOD meeting dated 04.04.2003

Description: To consider to evolve policy for levy of interest on instalments of cost of plots and recovery of cost enhancement; BOD's decision dated 04.04.2003

Decision: It was strongly felt by the Board that keeping in view the prevailing interest rates, there is a scope for bringing down the rate of interest and after serious deliberations, the Board of directors resolved as under:-

1. Resolved to charge normal interest @ 12% p.a. and 3% penal with six monthly compoundable effect on fresh allotments of industrial/Residential and commercial sites at different Focal Points.
2. Resolved that in the matter of recovery of amount relating to enhanced compensation, PSIEC shall recover only the statutory dues which are payable to the farmers under the relevant provisions of the Land Acquisition Act and therefore, the amount of interest to be charged from the allottees on this account shall be 15% p.a. and in the event of default, penal interest @3% p.a. shall be charged on simple basis on fresh allotments.
3. Resolved that one year amnesty scheme to the defaulter allottees of different Focal Points for the recovery of additional/enhanced cost be and is hereby approved as follows:-
 - i. Defaulter allottees be allowed to make payment of their dues (Principal) in four equated quarterly installments alongwith interest as applicable under respective terms of allotments upto maximum of 15% per annum on simple basis as the case may be (without compounding & penal).
 - ii. For calculating their dues, principal amount of enhanced cost plus interest as mentioned at (a) above shall be capitalized upto a cut-off date. Based on the same, demand notices shall be issued to the respective defaulter allottees for clearance of their dues within one year.
 - iii. In case, the defaulter allottee(s) does not square up his dues alongwith interest as per(a) above within stipulated period of one year, he/they shall have to remit the additional cost in accordance with respective terms of allotment along with applicable interest/penal interest.