

Special OTS Scheme- “CORP-RIYAYATI-III

- NPA Accounts with book balance outstanding upto and inclusive of Rs.10.00 lakh, which are classified as NPA on or before 31.03.2012 and are under Doubtful (C2, C3) and Loss (D) Category as on 31.03.2014. Suit filed and decreed cases in respect of NPAs on or before 31.03.2012 are also eligible.
- The accounts classified as NPA on or before 31.03.2012 which are Prudentially written off or actually written off at Branch level are also covered.
- The Scheme will be operative from 01.12.2014 to 31.03.2015.
- Powers have been delegated to Branch Heads and ZLCC to settle the accounts with book balance outstanding upto Rs.5.00 lakh and Rs.10.00 lakh respectively.

The borrowers may approach their respective branches to know the eligibility of their account under the scheme and if covered, the amount payable under the scheme.

SCHEME FOR ONE TIME SETTLEMENT OF MSMEs NPA ACCOUNTS

SIDBI, on the advise of the Dept. of Financial Services, Ministry of Finance, Govt. Of India, have prepared a scheme for One Time Settlement (OTS) for MSMEs.

Factors to be considered in One Time Settlement offer

The following factors would be considered while negotiating OTS proposal:

- Realisable value of the security charged/ other attachable assets and net worth of the borrower/ promoters/guarantors.
- Present status of the borrower unit/ company and its financial performance.
- Possibility of better recovery through other means, like Sarfaesi/legal action.
- Asset classification and provision made in the Bank's book
- Consideration / approval of OTS by other lenders and comparison of the terms thereof with that offered to our Bank.
- Impact of the OTS proposal on the Bank's profitability.
- The premise of the scheme is to benefit both the lender and the borrower.

The proposed OTS scheme will cover all NPAs classified as “doubtful” and “loss” in respect of Micro, Small and Medium Enterprises (manufacturing as well as services) as defined in the MSMED Act, 2006.

The proposed policy will also cover eligible cases in which the Bank has initiated actions under SARFAESI Act, cases pending before Courts/DRTs/ Lok Adalat and decreed accounts subject to obtaining consent decree from the Court/DRT/Lok Adalat.

Accounts under Consortium or Multiple Banking arrangements will also be eligible to be covered under the proposed Scheme subject to approval by 75% of the lenders by amount.

The borrowers under MSME NPA accounts may approach their respective branch to ascertain their eligibility under the Scheme and if covered, the amount payable under the scheme for settlement of the account.
