

One Time Settlement Scheme 2008-09 for settlement of overdues

NSIC launches one Time Settlement Scheme for the benefit of defaulting SSI units who had availed assistance under various schemes namely Hire Purchase, Equipment Leasing ,Raw Material, Bill discounting , Internal marketing etc.

1. Eligibility

The One Time Settlement Scheme(OTSS) will cover :

- i) All cases where Hire Purchase or Lease Period has expired on or before **31.03.2005**, the account was in default as on that date and it continues to exist in the account of the unit.
- ii) All cases of Raw Material Assistance, Bill Discounting and Internal Marketing (where financial assistance has been given) Schemes where the default occurred on or before **31.03.2005** and it continues to exist in the account of the unit.
- iii) The cases covered (i) & (ii) above, where Recovery Certificates have been issued/arbitration is under process.
- iv) The cases covered under (i) and (ii) above, pending before Courts, BIFR, subject to consent decree being obtained from the Courts/BIFR.

The cases of willful default, fraud and malfeasance will not be covered.

2. Time period for receipt/processing of Applications

The last date for receipt of applications from borrowers will be as at the close of business on **31.03.2009**. The processing under the revised guidelines shall commence immediately on receipt of applications and shall be put up to DRC for its decisions. The application received on or before 31st March, 2009 shall be processed simultaneously but latest by **30.6.2009**.

3. Settlement Formula – Amount

The **Minimum** amount that shall be recovered under the revised guidelines in respect of One Time Settlement of cases covered under the Scheme will be as under :

3.1 For Hire Purchase/Equipment Leasing Scheme :

- a) 100% of the outstanding towards installments, insurance, seizure charges, legal expenses and any other miscellaneous debit. In case of Equipment Leasing Scheme, the transfer cost and the sales tax as applicable thereon, shall also be recovered.

3.2 For Raw Material Assistance, Bill Discounting and Internal Marketing Schemes (where financial assistance has been given)

- a) 100% of the outstanding towards principle amount, interest (excluding penal interest), legal charges, service charges and any other miscellaneous debit.

4. Payment

The amount of settlement arrived at shall preferably be paid in one lump sum. In cases where the borrowers are unable to pay the entire amount in one lump sum, at least 25% of the amount of settlement shall be paid upfront and the balance amount of 75% should be recovered in installments within a period of one year together with interest at the existing lending rates for each of the Schemes mentioned above from the date of settlement, up to the date of final payment. As Equipment Leasing Scheme is no longer in continuation, the rates as applicable under Hire Purchase Scheme will be levied.

4.1 Adjustment of Security Deposit

The Collateral Security Deposit of the defaulting units ,wherever available with the corporation shall be adjusted as per policy of the Corporation.

4.2 Adjustment of sale proceeds of seized machines

In such accounts where machines had been seized/repossessed by the corporation, the credit for the proceeds arising out of the sale of such machines should be passed on to the defaulting units from the date of realization of sale proceeds in the bank accounts of the Corporation.

5. Other Terms & Conditions :-

- 5.1 The Corporation reserves the right in considering such proposals. No unit/party can claim as a matter of right for acceptance of their proposal for settlement under the scheme.
- 5.2 In case of default in payment of settled dues and non compliance of other terms of settlement, the Corporation reserves the right to withdraw the relief and concessions and revert to the dues prior to the settlement along with future interest thereon.
- 5.3 Such cases where any Vigilance/CBI enquiry is in progress, the settlement offer will be considered only by C hairman –cum Managing Director.
- 5.4 Cases where outstanding comprises primarily of amount lying towards penal interest suspense account.

All cases where the outstanding comprises primarily of the amount lying towards “penal interest suspense a/c”. will be kept out of the purview of One Time Settlement Scheme. Any settlement in such accounts will be examined by the Default Review Committee(s) separately on the basis of available security and other aspects regarding chances of recovery in such accounts. Decision in such cases will be taken as per normal delegation of powers for write off already given to various authorities other than the delegation of powers under One Time Settlement scheme.

The eligible units / borrowers interested in settlement of their accounts under One Time settlement Scheme may submit their settlement proposal to the Branch Office concerned.