

## FOR PUBLIC

**One Time Settlement Scheme 2009-10 for settlement of overdues – NSIC launches One Time Settlement Scheme for the benefit of defaulting SSI units who had availed assistance from the Corporation under various schemes namely Hire Purchase, Equipment Leasing, Composite Term Loan, Raw Material, Bill Discounting, Internal Marketing etc.**

### One Time Settlement Scheme 2009-10

#### 1. Coverage: - The OTS Scheme will cover :

- i) This **OTSS 2009-10** is applicable for such units where financing has been done under different schemes up to **December, 2005**. This OTS Scheme 2009-10 shall however, not be applicable for the cases of financing under Raw Material assistance against Bank Guarantee.
- ii) The cases of willful default, fraud and malfeasance will not be covered.

#### 2. Time period for receipt/processing of Applications

- i) The scheme is available for the defaulting unit w.e.f. **13.01.2010** **and** the last date for receipt of applications from borrowers will be as at the close of business on **31.03.2010**.
- ii) 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 31.03.2010** shall be processed simultaneously but latest by **30.6.2010**.

#### 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 amount lying under the head 'Collateral Security Deposit' and pertaining to the account in default shall be adjusted in line with the guidelines contained in IOM No.SIC/HO/Law/2004 dated 16<sup>th</sup> September, 2004.

**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 by C.M.D. on the recommendation of HODRC/CDRC and CVO.

5.4 While approving/recommending any settlement of account, the staff accountability has to be ascertained by the Branch/Zonal Head and reflected clearly in the recommendations.

5.5 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.

5.6 Settlement of cases not falling under OTSS.

In cases of default where the settlement amount offered by the units does not fall under One Time Settlement Scheme, such cases may also be considered looking at the possibility of recovery through other means like legal action or enforcement of securities etc. In such cases delegation of powers given under One Time Settlement Scheme will not be applicable and instead such cases will be considered only under the normal delegation of powers of write off already given to various authorities.

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