

One Time Settlement Scheme (OTSS)

1. Coverage:

- (i) This OTSS is applicable for such units where financing has been done under different schemes upto 31st December'2005. This OTS Scheme will 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 units **with immediate effect.**
- (ii) The processing under scheme shall commence immediately on receipt of applications and shall be put up to DRC for its decisions. All applications must be put up to DRC meetings within 3 months of date of its receipt.

3. Settlement Formula – Amount:

The Minimum amount to be recovered under this One Time Settlement Scheme will be as under:

- a) In case of Hire Purchase & Equipment Leasing Schemes 100% of the outstanding towards installments, insurance, seizure charges, legal expenses and any other miscellaneous debit.
- b) In case of Equipment Leasing Scheme, the transfer cost and the sales tax as applicable thereon, shall also be recovered.
- c) For Raw Material Assistance, Bill Discounting and Internal Marketing Schemes (where financial assistance has been given) 100% of the outstanding towards principle amount, interest (excluding penal interest), legal charges, service charges and any other miscellaneous debit.

4. Payment:

- (i) The amount of settlement arrived at shall preferably be paid in one lump sum.
- (ii) 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 which will be decided by the HO/CDRC depending upon the existing lending rates.

- 4.1 Adjustment of Security Deposit and Adjustment of sale proceeds of seized machines

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

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. Sanctioning Authority:

The delegated powers for write off under One Time Settlement Scheme are tabulated below:

| S.No | Delegate | Amount (in Rs.) |
|------|---|----------------------|
| 1 | Chief General Manager / Zonal General Manager on recommendation of Branch DRC | 1,00,000 |
| 2 | HODRC on recommendation of Zonal DRC | 3,00,000 |
| 3 | Corporate DRC on recommendation of ZDRC/HO DRC | 5,00,000 |
| 4 | CMD on the recommendation of HODRC / CDRC and CVO | 7,50,000 |
| 5 | Board Sub-Committee for write-off | More than 7,50,000/- |

6. Other Terms & Conditions:

- 6.1 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.
- 6.2 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.
- 6.3 Such cases where any Vigilance/CBI enquiry is in progress, the settlement offer will be considered by CMD on the recommendation of HODRC/CDRC and CVO.
- 6.4 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.

6.5 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.

6.6 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.

N.B.: Units from whom settlement offers were received but could not be considered in the earlier One Time Settlement Scheme may also submit their revised offers as per re-introduced One Time Settlement Scheme.