

NON DISCRIMINATORY AND NON-DISCRETIONARY SPECIAL OTS SCHEME
FY 2022-23 - FOR ELIGIBLE NPA ACCOUNTS UPTO Rs 5.00 CRORES –
KEY FEATURES & PARAMETERS

(Refer last page of the scheme for Acronyms and Definitions used in Scheme)

1.	Name of the Scheme	Non-Discriminatory and Non-Discretionary Special OTS Scheme FY 2022-23 - For NPA Accounts upto Rs 5.00 crores									
2.	Validity	The scheme will be applicable w.e.f. 01 st July 2022 and remain in force upto 31 st March 2023.									
3.	Salient Features & Eligibility Criteria	<ul style="list-style-type: none"> ➤ Scheme is Non-Discriminatory and Non-Discretionary in nature. ➤ Eligibility to be determined as per IRAC status of the account as on 31.03.2022 and balance outstanding as on 31.03.2022. ➤ NPA accounts under Sub-Standard, Doubtful- I, Doubtful-II, Doubtful III, Loss category with principal outstanding (also termed as balance outstanding) up to Rs. 5.00 crores as on 31.03.2022 shall be eligible under this Scheme. 									
4.	Cases not eligible to be covered under the Scheme	<ul style="list-style-type: none"> ➤ Fraud (RBI Reported)/Wilful Default/Criminal Action Cases. ➤ Central Govt. /State Govt. guaranteed accounts. ➤ Units under rehabilitation/restructuring (Already approved and under implementation). ➤ Cases admitted in NCLT under Insolvency and Bankruptcy Code, 2016. ➤ Loan against Gold/Jewellery and other liquid securities e.g. LIC/NSCs/ KVPs etc. ➤ Staff Accounts. ➤ NPA accounts where bank has already entered into a compromise/ settlement and settlement is in force as on 31.03.2022. ➤ Agriculture NPA accounts upto Rs. 10.00 Lakhs under Sub-Std & DB-I category. ➤ Actual written off accounts 									
5.	Settlement Amount	<p>A. For Eligible Sub-Standard NPA Accounts</p> <table border="1" data-bbox="448 1514 1390 1816"> <thead> <tr> <th data-bbox="448 1514 520 1664">S. No</th> <th data-bbox="520 1514 1058 1664">Category of Sub-Standard NPA Accounts</th> <th data-bbox="1058 1514 1390 1664">OTS amount (% of balance outstanding as on date of receipt of OTS Proposal)</th> </tr> </thead> <tbody> <tr> <td data-bbox="448 1664 520 1738">1</td> <td data-bbox="520 1664 1058 1738">Education NPA Loans upto Rs 7.5 lakhs</td> <td data-bbox="1058 1664 1390 1738">70%</td> </tr> <tr> <td data-bbox="448 1738 520 1816">2</td> <td data-bbox="520 1738 1058 1816">All other Sub-Standard NPA Accounts</td> <td data-bbox="1058 1738 1390 1816">85%</td> </tr> </tbody> </table> <p>B. For Eligible Doubtful & Loss NPA Accounts</p> <p>(1) For Non-Agri NPA Accounts with balance o/s upto Rs. 1.00 lakh</p>	S. No	Category of Sub-Standard NPA Accounts	OTS amount (% of balance outstanding as on date of receipt of OTS Proposal)	1	Education NPA Loans upto Rs 7.5 lakhs	70%	2	All other Sub-Standard NPA Accounts	85%
S. No	Category of Sub-Standard NPA Accounts	OTS amount (% of balance outstanding as on date of receipt of OTS Proposal)									
1	Education NPA Loans upto Rs 7.5 lakhs	70%									
2	All other Sub-Standard NPA Accounts	85%									

IRAC Classification as on 31.03.2022	OTS amount (% of balance outstanding as on date of receipt of OTS Proposal)
DB-I	50%
DB-II	40%
DB-III /Loss	25%

(2) For Agriculture NPA Accounts with balance o/s upto Rs. 10.00 Lakhs under DB-II, DB-III & Loss Category

IRAC Classification as on 31.03.2022	OTS Amount (% of balance outstanding as on date of receipt of OTS Proposal)	
	For Agriculture NPA Accounts upto Rs. 1 Lakh	For Agriculture NPA Accounts above Rs. 1 Lakh & upto Rs. 10 Lakhs
DB-II	35%	40%
DB-III/Loss	15%	20%

(3) For MUDRA NPA Accounts under DB-III & Loss category having CGFMU coverage

Category of Mudra Loan under DB-III & Loss (as on 31.03.2022) having CGFMU coverage	OTS amount (% of balance outstanding as on date of receipt of OTS Proposal)
Shishu (Loan upto Rs. 50,000)	20%
Kishor (Loan above Rs. 50,000 and upto Rs. 5.00 Lakhs) AND Tarun (Loan above Rs. 5.00 Lakhs and upto Rs. 10.00 Lakhs)	30%

*Claim received from CGFMU & credited in the loan account is not to be added back in the balance outstanding, while computing OTS amount.

(4) For eligible accounts with Balance o/s above Rs 1.00 lakh and upto Rs. 50.00 Lakhs

S. No.	Security Coverage (Market Value)	OTS amount (% of balance outstanding as on date of receipt of OTS Proposal)	
		Balance >1 lakhs upto 20 lakhs as on 31.03.2022	Balance >20 lakhs – 50 lakhs as on 31.03.2022
1.	Below 10%	25%	40%
2.	10% to 50%	45%	55%
3.	Above 50% to 75%	60%	70%
4.	Above 75% to 100%	70%	75%
5.	Above 100%	75%	80%

(5) For eligible accounts with Balance o/s above Rs. 50.00 Lakhs and upto Rs. 5.00 Cr as on 31.03.2022

S. No.	IRAC Classification as on 31.03.2022	*OTS Amount for Secured portion of outstanding (Market Value of Primary + Collateral Security)	OTS Amount for Unsecured portion of outstanding
1.	DB-I	80%	50%
	DB-II	75%	50%
	DB-III	70%	40%
2.	LOSS	70%	25%

*Where Market value of Securities is more than 125% of Balance Outstanding as on date of receipt of proposal, such cases shall not be covered under this Special OTS Scheme.

- Legal expenses, Insurance Charges, charges for Revenue Authority (Recovery Certificate filed A/c's) and all other debited/ recorded expenses incurred by the bank are to be recovered in full over and above the OTS amount. However, DI/SI/RI is not required to be added to the balance outstanding for the purpose of calculation of OTS amount.
- In respect of NPA accounts where claims under CGTMSE/ CGFSEL/CGSSI etc. schemes have been received and credited to the account, the credit/entry of CGTMSE/CGFSEL/CGSSI etc. claim received, be ignored i.e. credit received on account of CGTMSE/CGFSEL/ CGSSI claim received, be added back to the ledger outstanding, while computing the OTS amount.
- Normally claim received in case of ECGC accounts is kept in separate account. However, in accounts where ECGC claim is credited, then while arriving at the balance outstanding, ECGC claim settled amount credited in the account has to be added back to the outstanding balance to calculate settlement amount.
- Cases where margin against un-devolved Non Funded facility is less than 100%, Branch Head/Circle SASTRA Head/Zonal SASTRA Head to ensure 100% cash margin against the un-devolved exposure be obtained.
- In case of restructured accounts, the outstanding in FITL & WCTL shall be considered as part of principal outstanding and appropriate concessions shall be given as applicable.

6. Valuation of Securities

The basis of valuation of securities shall be as under:

- Market Value of the Securities as per last valuation report which should not be older than 1 year is to be considered.
- Further, wherever properties are valued at Rs. 5 crore or above, minimum two independent Valuation Reports not more than 1 year old from Bank's Board approved valuers shall be considered.
- Cases where two valuations are obtained and difference is more than 25%, higher of the two valuations be considered.

		<p>Further, where difference is upto 25%, average of the two valuations be considered.</p> <ul style="list-style-type: none"> ➤ In case of Plant & Machinery, Market Value as per last valuation report (Valuation Report should not be older than 1 years) shall be considered while computing security coverage. ➤ Valuation of stocks shall be considered on the basis of last stock statement submitted by the borrower OR as per BM assessment during the last visit which should not be more than one month old and valuations be compared with the last stock statements, wherever available, submitted by the borrower.
7.	Terms of Payment	<ul style="list-style-type: none"> ➤ Upfront amount of minimum 20% of the OTS amount (for NPA accounts with balance upto Rs 25.00 lakhs) and 15% of the OTS amount (for NPA accounts with balance outstanding more than Rs 25.00 lakhs upto Rs 5.00 crores) is to be deposited along with OTS offer in writing. ➤ Upfront amount deposited with the Bank shall be appropriated in the account before conveying the approval to the Borrower. ➤ Party to be impressed upon to deposit OTS amount within 3 months of approval of OTS ➤ In case the entire OTS amount, as per the terms finalized in the sanction, is paid within 3 months of conveying approval to the borrower, no interest will be charged. However, simple interest @ MCLR for one-year (applicable on the date of sanction) plus 1% on reducing balance basis will be charged where OTS amount is paid beyond 3 months, effective from the date of Sanction. ➤ In case any borrower fails to pay OTS amount, respective sanctioning authority may consider extension of time period upto aggregate of 6 months from the date of conveying approval. However, in exceptional circumstances, if borrower approaches for further extension beyond 6 months from the date of conveying approval, then the Bank may consider extension of time period for payment of OTS amount beyond 6 months till 12 months from the date of conveying approval. Further, at the time of considering extension, upfront amount of minimum 10% of remaining OTS amount should be obtained along with request letter from the borrower. ➤ In case borrower proposes to pay OTS in installments then default in payment of one installment shall render the OTS as failed. ➤ The Postdated cheques coinciding with the dates of repayment for the remaining amount of OTS amount be obtained, while conveying the sanction.
8.	Other Stipulations	<ul style="list-style-type: none"> ➤ In case Bank has filed a suit against the borrower/obtained a Decree, Bank's satisfaction of its claim may be got recorded only after closure/ settlement of account completely. ➤ Wherever the borrower/guarantor/co-borrower/any other affected party has filed a counter-claim/case against the Bank, such OTS under the Special Scheme will be considered subject

		<p>to withdrawal of the case/claim, for which sufficient documentary proof may be provided for Bank's records.</p> <ul style="list-style-type: none"> ➤ In those cases wherein insurance claim or any other claim on third parties is received after the sanction of the account under the Special OTS Scheme, the amount of sacrifice be appropriated from the claim amount and the remaining amount, if any, be credited to the borrower's account. ➤ In case of multiple accounts of a borrower, eligibility will be determined borrower wise and not account wise. ➤ In case multiple accounts of the same borrower (or different borrowers) have common security (ies) AND not all accounts are eligible under the scheme, then also OTS may be considered in the eligible accounts. However, release of charge on the common security (ies) will be done only when the other loans are resolved/paid off etc. This stipulation be made part of the sanction letter.
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List of Acronyms and Definitions

1. *OTS: One-Time Settlement*
2. *IRAC: Income Recognition and Asset Classification*
3. *Sub-Standard Asset: A sub-standard asset is one, which has remained NPA for a period less than or equal to 12 months.*
4. *Doubtful Assets: An asset is classified as doubtful if it remained in the sub-standard category for 12 months.*
5. *DB-I: An asset is classified as doubtful-I if it remained in the doubtful category upto one year.*
6. *DB-II: An asset is classified as doubtful-II if it remained in the doubtful category more than one upto three years.*
7. *DB-III: An asset is classified as doubtful-III if it remained in the doubtful category more than three years.*
8. *Loss Assets: A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI Inspectors but the amount has not been written off wholly.*
9. *CGFMU: Credit Guarantee Fund for Micro Units*

For more details about the scheme, please contact Branch Manager/Circle SASTRA Head.