

### **One time Settlement**

In terms of RBI instructions to banks vide circular NO.RBI/2012-13/273 RPCD.CO. MSME&NFS.BC.No.40/06.02.31 / 2012-13 dated November 1, 2012, the following One Time Settlement (OTS) policy for settlement of NPAs in MSE sector is outlined :

1. Objective: Simplified, non-discretionary and uniform mechanism / window to defaulting borrowers under MSE sector.
2. Coverage: All NPAs in MSE sector with outstanding of Rs.10 crore and below (All NPAs including Substandard / Doubtful / Loss and/or Written Off) but excluding cases of Willful Default / Fraud. The scheme is also available to units where DRT / BIFR / SRFAESI process in under way.
3. Settlement Formula: The minimum amount to be recovered under OTS will be 100% of outstanding balance in the account, as on the date account was categorized as NPA, plus interest at the rate Base rate + 2% till date of final payment
4. Payment Terms: The following options could be considered:
  - a. Preferably one lump sum OR
  - b. 25% down payment and balance 75% payment within a period of 45 days OR
  - c. 25% down payment and balance 75% within maximum 12 monthly installments.

Interest will be charged at Base rate + 2% from the date of settlement till the date of final payment.

The above scheme is offered to all NPA borrowers under MSE sector subject to outstanding not exceeding Rs. 10 crores.

### **Delegation of Powers :**

The delegation of powers (DOP) as per the prevailing DOP will be applicable.