

SCHEME FOR ONE TIME SETTLEMENT OF NPA ACCOUNTS OF MICRO, SMALL & MEDIUM ENTERPRISES (MSMEs)

I.COVERAGE OF THE SCHEME

The scheme will cover:

- a) All NPA accounts, including technically written off accounts in Micro, Small and Medium Enterprises(manufacturing as well as Services) as defined in the MSMED Act 2006, which have been categorized as Non Performing upto close of previous half year as per the audited results i.e. as on 31st March and 30th September are eligible regardless of whether the Bank has already filed suit, obtained decree or taken action under SARFAESI Act.

Accounts which are likely to be declared as NPA giving current financial year and there is possibility of substantial recovery if some concession are provided.

- b) The settlement amount is to be atleast equal to the benchmark amount as per policy and preferably be paid in lumpsum within 90 days. Atleast 25% of the settlement amount to be paid within 30 days of intimation of sanction.

In case settlement amount is proposed to be paid in a period exceeding 90 days the settlement amount will carry simple interest @ Base Rate plus 3% on reducing balance from date of intimation of sanction to the borrower.The total repayment period will not exceed 12 months starting from date of intimation of sanction.