

SBP SCHEME FOR ONE TIME SETTLEMENT OF NPAs OF SME (SBP OTS-SME, 2010)

Salient Features :

A. Eligibility

1. All NPAs in the SME sector, classified as doubtful or loss on or before 31st March, 2009, with outstanding balance of Rs.1 crore and below are eligible under the scheme
2. Cases pending before Courts/DRTs/BIFR will be eligible, subject to consent decree being obtained from the Courts/DRTs/BIFR.
3. Cases where Bank has issued notice or taken action u/s 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI-2002) will be eligible
4. Eligible accounts referred for Revenue Recovery action under State Recovery Laws will be eligible, subject to requisite charges, if any payable, being recovered separately and remitted to the State Authorities.
5. Eligible accounts written off either prior to or after 31.3.2009 will be covered under the scheme.
6. Decreed cases will not be eligible.
7. Cases of fraud, malfeasance and willful defaults (with few exceptions) will not be eligible.
8. Central Govt./State Govt. guaranteed accounts will not be considered under this scheme.

B. Settlement Formula –Amount and Cut-off Date

NPAs classified as “Doubtful” or “Loss” on or before 31st March, 2009:

The minimum amount that should be recovered would be 100% of the outstanding balance in the eligible accounts as on the date on which the account was categorized as “Doubtful” or “Loss” as per IRAC norms. For further enquiries our concerned branch may be contacted.

C. Payment Terms:

The settled amount must be paid by 31.03.2011 (within the validity period), falling which the OTS sanction will be rendered infructuous. Processing of the applications will be done only after deposit of 5% of the eligible amount to indicate the borrower’s willingness. No interest will be charged if the entire settled amount is paid within the stipulated period.

D. Last date of Receipt of Applications:

The applications will be received under the scheme till the close of business on 31st August, 2010.

E. Last date for final payments :

Last date of final payment of the amount of compromise will be 31.03.2011.