



ORISSA STATE FINANCIAL CORPORATION
OMP SQUARE: CUTTACK – 753003
Phone – No.0671-2443337, 2443325, 2443072.

**A GOLDEN OPPORTUNITY FOR LOANEES OF OSFC HAVING OUTSTANDING
BALANCE ABOVE Rs.50.00 LAKH OF ALL ELIGIBLE LOANS.
(OTS POLICY – 2005)**

A. COVERAGE (ELIGIBILITY CRITERIA) :-

- (i) The loan account should be under doubtful /loss category of assets as on 31.03.05 as per the RBI guidelines and having outstanding balance **above Rs.50.00 lakh as on 31.03.2002.** ('Outstanding' means Principal amount + Interest & other charges outstanding in respect of all eligible loans availed and not include the balance in respect of loans ineligible for OTS as in sub-para (xi) & (xii)).
- (ii) The Scheme will be in operation from **15.5.05.** **The last date for receipt of application under the scheme will be 16.8.05.** The processing of OTS application shall be made as soon as the same is received without waiting for last date of application. **The loanees eligible under this scheme for settlement who do not apply under the Scheme shall not be eligible for any other OTS scheme from the Corporation in future.**
- (iii) The Scheme will cover the cases pending before the Courts/DRTs/BIFR, if those are covered by conditions mentioned at (i) above, subject to consent decree/ permission being submitted by the applicant from the respective Courts or withdrawal of the case by him/her voluntarily. Hence, applications of such nature of cases would be received provisionally subject to submission of order granting permission of appropriate Court or withdrawal order to the Corporation before 16.8.05.
- (iv) The Scheme will cover cases of (i) & (iii) above, where assets have been seized but the loan amount remains outstanding after adjustment of sale proceeds if any, irrespective of its classification as mentioned at (i) above.
- (v) Cases of willful default, fraud, malfeasance shall not be eligible under this scheme.

- (vi) The units shall not be eligible for availing further financial assistance for a period of three years from the date of settlement once their account is settled under the OTS- 2005 Scheme.
- (vii) The loanees under category (i) above who have earlier applied under OTS-2003 and/or OTS-2004 scheme of the corporation and where their such application have been duly disposed off (i.e., either approved or rejected / dropped / cancelled) by the Corporation shall not be eligible for the OTS-2005 Scheme.
- (viii) A processing charge of Rs.10,000/- is required to be paid by the applicant for processing the application under the scheme. This amount is non-refundable and will not be adjusted against settlement / loan amount.
- (ix) Notwithstanding anything contained in the present scheme the Corporation reserves the right to accept or reject any settlement proposal at any stage without assigning any reason thereof. Similarly, deposit of application under the scheme would not debar the Corporation from taking recourse to other measures to recover the outstanding dues from the applicant.
- (x) Cases of (i) shall exclude the cases where orders for winding up have been passed and official liquidator appointed. In cases where BIFR has recommended for winding up will also not be covered under the scheme.
- (xi) The Cases where the loanee has availed cyclone loan shall be covered under the scheme provided the original loan account fulfils the eligibility criteria as indicated at (i) above and the loanee concerned agrees to pay the entire cyclone loan with interest along with the crystallized settlement amount of the original loan account as per the formula prescribed in OTS-2005 Scheme. The rephasing, if any, made along with sanction of the cyclone loan shall be ignored for the purpose of determination of category of loan. The portion of cyclone loan if any, adjusted towards Interest or Principal of term loan/ additional term loan shall not be reversed. The cyclone loan shall be repaid in full without any relief or concession with full interest at applicable rate.
- (xii) The Scheme shall not cover any agency loan (NEF, Seed Capital, Soft loan of Government, Margin Money Assistance etc.). Further the Scheme shall not be applicable for settlement of RTDM Loan, HP loan, STWC loan. However, HP Loan, STWC Loan accounts may be settled separately subject to eligibility, in terms of the guidelines prescribed for those accounts along with the term loan wherever applicable. **Once the loan account is settled, the Corporation shall not be liable for payment of any institutional / statutory dues of any type**

against the unit. The promoter(s) alone shall be liable for such payment(s).

- (xiii) In the event of failure by the promoter concern to avail the opportunity under OTS-05, the guarantor(s) if so desire can apply for OTS of the loan account for which guarantee is provided subject to condition that guarantors liability shall be absolved provided he pays the settlement amount as will be arrived as per the applicable settlement formula. In such a situation, NDC shall not be issued, but guarantee / mortgage provided by the guarantor if any, shall be released.
- (xiv) The cases where decree amount is finalised by the Hon'ble Court but not executed by the Corporation, in such cases, settlement amount should not be less than the decree amount or the amount under SIDBI –2003 policy which ever is higher. Future interest on decreetal amount from the date of decree may be sacrificed till the date of realisation of the entire decreetal amount in case OTS application is approved by the Corporation.
- (xv) The application shall be accompanied with the payment equivalent to **5%** of the outstanding principal amount as on the date of application of all eligible loans in balance loan cases, where industrial and/or collateral security have been seized and sold by the Corporation and no other industrial/collateral security is available as initial deposit in shape of D.D/Pay Order/Bankers Cheque / Cash. But in all other eligible cases initial deposit shall be **10%** of the outstanding principal amount as on date of application. Mere submission of an application without the stipulated payment shall not be treated as a valid application.
- (xvi) The application shall also be accompanied with audited balance sheets, profit loss accounts, cash flow statements etc. for 2003-04,2002-03, and 2001-02 along with other documents as per the affidavit sworn in.

B. Details of Settlement Formula

The minimum amounts that shall be recovered under different categories are described below:

Sl.	Category	Settlement Formula
(1)	Balance left over cases after seizure and sale of industrial assets U/s-29 of SFCs Act.	
	(a) Where collateral / addl. Security is available.	(a) The loan account shall be recalculated at simple documented rate adjusted with repayment till the date of seizure ➤ Adjustment of recovery by way of sale from such outstanding as arrived above.

		<ul style="list-style-type: none"> ➤ Balance outstanding shall not carry further interest or penalty and becomes the crystallized amount of settlement. (No further accrual of interest w.e.f date of seizure). ➤ Any expense incurred towards Miscellaneous Expenses on Loans & Advances since inception till the date of settlement is to be added in the loan A/c. & it shall not be waived in any manner.
	(b) Where no collateral / addl. Security is available.	<ul style="list-style-type: none"> ➤ Principal outstanding as on the date of seizure less recovery by way of sale plus any expenses incurred towards miscellaneous expenses on loans & advances since inception till the date of settlement. ➤ If above is negative the account is settled at 'Sale' value plus initial deposit made as per paragraph 2(ii) above and NDC is to be issued without any further payment.
(2)	Assets seized on or before 31.03.2001 but not disposed or sold till the date of application.	<ul style="list-style-type: none"> ➤ Same as (I)(a) above without any adjustment for recovery out of sale proceeds since these remain unsold. ➤ In case of part sales the recovery by way of part sales shall be adjusted against crystallized amount. ➤ Any expense incurred towards Miscellaneous Expenses on Loans & Advances since inception till the date of settlement is to be added in the loan A/c. & it shall not be waived in any manner. ➤ Actual benefits accruing subject to withdrawal of court case if any voluntarily by the loanee.
(3)	When the loan account is not covered under Category-B(1) to (2) above but is bad & doubtful as per A(i) above.	

<p>(A) When the minimum expected amount (MEA) as on the date of application (to be calculated in the manner specified in this memorandum) is up to $\pm 10\%$ of value of primary + collateral security (VOS)</p>	<p>➤ MEA minus 5% of simple interest (SI) charged.</p>
<p>(B) When VOS is more than MEA by more than 10%. (i) VOS is more than MEA by 100% or more. (ii) VOS is more than MEA by 75% to 99%. (iii) VOS is more than MEA by 50% to 74%. (iv) VOS is more than MEA by 25% to 49%. (v) VOS is more than MEA by 10% to 24%.</p>	<p>➤ MEA + 50% of Compound Interest (CI) charged. ➤ MEA + 40% of CI charged. ➤ MEA + 30% of CI charged. ➤ MEA + 20% of CI charged. ➤ MEA + 10% of CI charged.</p>
<p>(C) When VOS is less than MEA (variation more than 10%) (i) VOS is less than MEA by 75% to 90%. (ii) VOS is less than MEA by 50% to 74%. (iii) VOS is less than MEA by 25% to 49%. (iv) VOS is less than MEA by 10% to 24%.</p>	<p>➤ MEA – 50% of SI charged. ➤ MEA - 40% of SI charged. ➤ MEA – 30% of SI charged. ➤ MEA – 20% of SI charged.</p>

- The settlement formula prescribed for category B(3) above, is subject to condition that settlement amount should not be less than the amount arrived after applying SIDBI's 2003 policy **or the outstanding principal amount as on the date of application whichever is higher.**

C. OTHER NORMAL CONDITIONS

- (i) The minimum expected amount (MEA) is the total amount disbursed by the Corporation plus simple interest at documented rate till the date of application of OTS-05 adjusted with repayments made by the loanee. The concept of net Simple Interest (NSI) shall be applied, but if there is an excess amount over and above SI paid as on the date of application shall be adjusted against such MEA arrived as on the said date of application. In other words, if someone has paid more than SI it can not be adjusted against principal. However, at the end it needs to be adjusted against MEA.
- (ii) Miscellaneous expenses on L/A. accrued till date of application shall be repaid full till the date of final payment and shall be added together with the cost of hiring of Chartered Valuer to the settlement amount arrived as per Para-3 above.
- (iii) Exclusive of Agency loan, super cyclone loan (99-00), STWC loan, HP loan & RTDM loan.

- (iv) FITL shall not be treated as principal. It shall be treated as interest only. Int. on FITL shall be treated as compound interest charged.

D. PAYMENT OF SETTLEMENT AMOUNT:

Payment under the scheme shall be as follows:

(a) Along with application - 10% or 5% of the outstanding principal amount as on the date of application as initial deposit as applicable.

(b) **At the time of Settlement:**

(i) Either in one lump sum on receipt of OTS order within 30(thirty) days of communication of settlement order with 3% discount on the settled amount.

OR

(ii) In installments as per the sequence mentioned below:

Up-front payment –

(a) 25% of the settlement amount reduced by the initial deposit shall be paid along with acceptance letter within 30 (thirty) days of communication of the OTS order.

(b) The balance settlement amount (i.e.75%) shall be paid within 90 days of communication of the OTS order.

(c) A further time extension beyond 90 days may be allowed on request of the loanee up to a maximum period of nine months from the date of completion of allowed time for payment of the settlement dues. In no case, the entire period of payment shall exceed 365 days from the date of communication of the settlement order. Managing Director is authorized to allow such time on payment of the settlement amount within the maximum time limit.

(d) The settlement amount paid within ninety (90) days from the date of communication shall carry no interest. Payment made beyond ninety (90) days shall carry simple interest @ 13.5% p.a over the unpaid amount for the period of delay.

(e) The settlement order would indicate the exact due date of payment of instalments in case the party prefers to pay as per (b) above.

E. AUTHORITY TO CONSIDER APPEAL:

If an applicant is aggrieved by this order of settlement, he may file an appeal with Managing Director within fifteen days of receipt of order. Board of Directors of OSFC would be competent to consider this appeal and take a final decision in the matter.

F. RESIDUAL CLAUSE:

It is clarified that the above guidelines will not be in supersession of the contractual obligation subsisting between the OSFC and the borrowers as per the terms and conditions as contained in the loan agreement executed by the party in favour of the Corporation and thus not withstanding anything contained herein above, the Corporation may consider any matter pertaining to any loan case and take a decision on the basis of circumstance and merit of each case. It is further clarified that any borrower as a matter of right can not claim the benefits accruing from this scheme.

In case of any ambiguity / confusion during implementation of the Scheme, Managing Director is authorized to take suitable remedial measures for smooth operation / success of the scheme and necessary executive instruction shall be issued.

For further details please contact the DGM's/BM's of OSFC Branches/ Recovery Department of Head Office, OMP Square, Cuttack-753003.

MANAGING DIRECTOR

CONDITIONS APPLY:

This advertisement is only for information of the General Public and does not create/confer any legal right whatsoever.



ORISSA STATE FINANCIAL CORPORATION

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Website: www.osfcindia.com

APPLICATION FOR ONE TIME SETTLEMENT (OTS) SCHEME-2005

1. Name of the unit/Firm/Company

2. Address :
 - (i) Factory : Tel./Fax:

 - (ii) Regd. Office : Tel./Fax

3. Constitution : Proprietary/Partnership/
Private Limited Company/
Public Limited Company/
Others(Pl. Specify)

4. Date of Establishment :

5. P.M.T No. & Date :

6. Details of factory premises :
(leased/owned)

7. Nature of Industry and Products/:
Type of vehicle with Regd. No.

8. Name of the Banker and Address:
account No.



9. Nature of facility availed : CC/OD/OPG/Others (Pl. specify)
10. Whether any facility of : Year of Amount Whether paid Whether
settlement of loan availed settlement settled in full yes/No NDC issued
from the Bank Yes/No
11. Details of associates/Sister : (Rs. in lakh)
Concerns

Sl.	Name of the Concern	Name of Banker/ Financier	Nature of facility	Outstanding Liability	Default (if any)
1.	2.	3.	4.	5.	6.

12. Brief History of the Concern :
13. Loan availed from OSFC : Year of Amount
availment availed
14. Loan repaid : Year Amount
15. Any other loan availed from the Corporation either in his/her name or in the name of any family members. If yes, details of such loans :



- 16. Reasons for non-payment of the dues in time :
- 17. Terms of Repayment as per the Scheme parameters :
- 18. Whether 10% / 5% of the principal outstanding as on date (.....) is deposited along with the application dt.....as initial deposit.
If yes, the details of payment/ Money Receipt No. with date :
- 19. Whether the Audited Balance Sheet, Profit & Loss A/c. & Cash Flow Statements for the FY 2001-02 to 2003-04; the affidavit & declaration for OTS are enclosed : Yes/No.

I/we do hereby undertake that I/We will continue payment towards my/our current dues in terms of loan agreement pending settlement of dues under the OTS Scheme-2005. I/We shall not have any claim on delay decision and/or an unfavourable decision on my/our loan settlement proposal since such decision of the Corporation is to be taken through sacrificing its legitimate claims/dues. I/We will not have any claim in case the Corporation adjusts the initial deposit(s) and subsequent payment made for settlement of dues under the OTS Scheme-2005 towards normal loan dues on non-compliance of the terms and conditions of the Scheme by me/us either in part or full within the stipulated time as prescribed in the Scheme and the Corporation will be at liberty to initiate any action under the law for realisation of its dues during pendency of the settlement proposal.

Name with Signature of the Loanee

Place:

Date:

.....

Acknowledgement of OTS Application

Received an OTS application from..... with an initial deposit of Rs.....on Dt.....in shape of DD/Cash/pay order/Banker's Cheque vide OSFC MR.No.....Dt.....along with other required documents as prescribed in the OTS Scheme.

Name of the Receiving Officer with Seal

Place

Date

(TO BE TYPED ON APPROPRIATE NON-JUDICIAL STAMP PAPER)
DECLARATION FROM APPLICANT IN THE FORM OF AFFIDAVIT
Before the Executive Magistrate/Notary Public.

I/We.....aged
about.....S/O.....residing at.....P.O:.....
P.S..... District.....the Proprietor/Partner/authorised Director(s)
of M/s.....solemnly declare and affirm as follows:

1. I/We have applied to Orissa State Financial Corporation (hereinafter called Corporation) for One Time Settlement(OTS) of my/our loan account, vide my/our application Dt:..... I/We hereby accept the parameters and guidelines along with the settlement formula of OTS communicated to me/us by the Corporation vide its letter No./Notice/Advertisement in Newspaper Dt.....and hereby agree to make payment of the dues of the Corporation accordingly within the time limit prescribed for the same under the OTS Scheme-2005 along with the payment of outstanding amount in full on account of RTDM Loan/ Hire Purchase Loan/Short Term Working Capital Loan/Seed Loan/Soft Loan/Margin Money Assistance/National Equity Fund/Cyclone Loan/any other Agency Loan given by the Corporation and/or on behalf of the State Govt./Union Govt. /SIDBI/IDBI or any other organisations.

2. I/We hereby further undertake that:

(i) I/We the company or firm is a proprietor/partner/Director in any other unit, which has availed financial assistance from the Corporation.
OR

I/We the company or firm is not a proprietor/partner/Director in any other unit, which has availed financial assistance from the Corporation.

(ii) That, the assets of the unit/vehicle bearing No.....are in my custody and possession and no part of it was disposed.

(iii) That, I/We have not defaulted willfully in repayment of my/our dues to the Corporation and no portion of my/our income was diverted either for creation of assets or by way of investment in other ventures, either in my/our name (s) or in the name of any other person (s).

(iv) That, I/We had acquired assets in my/our favour/in favour of.....and the assets are situated over Plot No..... Mouza.....

(v) That, I/We have not committed any fraud or malfeasance while taking the loan creating security or during the substance of the loan.

(vi) That, I/We confirm that there is an outstanding liability of Rs.....as on 31.3.2005 and if the OTS is not accepted for whatsoever reasons or in the event of exercise of the right of requital by the Corporation I/We promise to pay the said amount with interest thereon and further agree that the said amount may be realized by the Corporation under any other law for the time being in force.

(vii) That, I/We am/are Income Tax Assesses(s) having Pan No.....

(viii) That, I/We am/are solvent and am/are capable to pay the settled amount under the OTS-05 Scheme within the stipulated period.

(ix) That, till the loan is fully cleared the assets given in hypothecation/mortgage shall be held by me in trust and I/We shall keep the assets as the property of the Corporation and any infringement shall be a breach of trust.

(x) I/We here by authorise the Corporation to adjust the amount of initial deposit, upfront and any other payment made by me/us towards OTS-2005, for part payment of the loan/payment of interest as if there is no OTS in case of my/our failure to pay the balance amount within stipulated period from the date of issue of OTS order by the Corporation.

(xi) I am/we are also aware that the Corporation has right to withdraw the concessions granted to me/us/the company/firm on the basis of this application, if it appears to the Corporation that false or misleading or incorrect or untrue information is given by me/us or any material information having bearing on the decision on my/our application is suppressed or misrepresented by me/us and the decision of the Corporation in this regard shall be final.

(xii) I/we am/are also aware that the Corporation shall not be liable for payment of any institutional/statutory dues of any type lying against my/our unit /vehicle and I/we alone shall be liable for payment/settlement of such dues if any.

3. That the facts stated above are true to my knowledge and belief.

Deponent

Identified by me

Advocate.

Certificate

Certified that Sri/ms.....S/O.....is present before me and signed this affidavit in my presence.

Advocate.

Executive Magistrate/Notary Public

N.B. : Please eliminate those which are not applicable.