

ONE TIME SETTLEMENT SCHEME

OTS - 2007

1. INTRODUCTION:

In order to reduce the excessively high level of NPA in the loan portfolio of OSFC and in accordance with instruction received from the State Government, the Board of Directors of Orissa State Financial Corporation in their 342nd meeting held on 07.03.2007 have approved a new One Time Settlement Scheme in the name and style of “**OTS – 2007**”.

The scheme is detailed below:

2. COVERAGE AND ELIGIBILITY:

- i) The assets classified as doubtful / loss category as on 15.03.2007 as per extant RBI guideline on asset classification shall be eligible to apply under the OTS-2007 scheme subject to not being ineligible for any other reason.
- ii) In cases of loans where any proceeding(s) are pending before Judicial Courts, Debt Recovery Tribunal (DRT) / Board of Industrial and Financial Reconstruction (BIFR), such loanee(s) may also apply, if covered under clause 2(i) above and are otherwise also eligible-subject to the condition that the loanee shall furnish an undertaking to withdraw the pending proceeding / case along with OTS application form. In the event of such application being considered for settlement under OTS-2007 scheme, the loanee shall be required to submit the consent / decree / permission from the respective Judicial forum and final withdrawal order of the case passed by the concerned Judicial forum voluntarily prior to issue of No Dues Certificate (NDC) subsequent to payment of settlement amount under OTS-2007 and all other ineligible loans and other dues of OSFC to the satisfaction of OSFC.
- iii) Cases otherwise eligible under clause 2(i) shall however, exclude the case where orders for winding up have been passed or official liquidator has been appointed. Moreover, in cases where BIFR has recommended for winding up, such cases shall also not be eligible to be covered under this scheme.
- iv) The OTS – 2007 Scheme shall also be applicable to the cases where assets after seizure u/s 29 of SFCs' Act. 1951 have been fully sold or partly sold or unsold.

- v) In cases where OSFC has obtained a decree from a competent Court with or without interest on the decreed amount, such cases may also be considered for coverage under the OTS – 2007 Scheme, if they are otherwise eligible. In such cases, the decreed amount along with interest, if any, or the settlement amount as arrived under this Scheme, whichever is less, shall be the final settlement amount.
- vi) The cases of willful default / fraud and malfeasance are normally not eligible for settlement. However, if OTS is found to be a better route for recovery, such cases may be processed with due care. Managing Director shall be the competent authority to allow such cases for consideration under OTS-2007 Scheme without prejudice to our action / outcome of any criminal cases initiated / to be initiated by the Corporation. Further, the borrower shall not be absolved from any action and his / her / their liability on account of willful default, fraud & malfeasance committed with any other financial institutions / agencies.
- vii) In cases where condonation of willful default, fraud, malfeasance was granted in OTS 2005-06 and are applying for switchover to OTS – 2007, fresh condonation of such nature is not necessary unless there is a fresh case of willful default / fraud / malfeasance etc.
- viii) **Switchover cases:**
The loanees coming under category 2(i) and who are otherwise eligible also and had applied for any of the OTS Schemes launched during the FY 2005-06 and in whose cases, settlement order has been communicated and who have not paid the settlement amount so communicated, are allowed to switchover to OTS-2007 Scheme by
- (a) making a fresh application as prescribed under this OTS-2007 Scheme, and
 - (b) on deposit of requisite processing charge, and
 - (c) payment of initial deposit afresh as applicable to them under OTS-2007 Scheme.

However, this switchover option is not available to the cases where the settlement amount under the previous OTS schemes of 2005-06 has been fully paid irrespective of non-payment of ineligible loans.

- ix) **(a)** This Scheme shall not cover any agency loan(s) (NEF, Seed Capital loan, IDBI Seed capital, Soft loan of Government, Margin Money Assistance etc.) and Soft loan released out of Special Share Capital of the Corporation. Further, the Scheme shall not cover Cyclone loan disbursed for restoration of damage caused by the Super Cyclone of 1999, loans disbursed under RTDM Scheme, HP and STWC Loans. Dues under the above loans are normally payable over and above Settlement amount against eligible loans. However, special incentives in shape of part waiver of interest shall be allowed for prompt payment of Cyclone and RTDM loan dues only as detailed separately in this scheme.
- (b)** Component of agency loan on account of NEF, for which the Corporation has not received refinance support on liberal terms from SIDBI, shall be considered as an eligible loan for settlement under this Scheme. Similarly, Cyclone and Flood Loan disbursed prior to Super Cyclone of October'99 and remaining unpaid as on the date of application shall also be eligible for settlement under this Scheme
- x) The Guarantor(s) / Mortgager(s) for any loan, which is otherwise eligible to be considered under the OTS – 2007 Scheme are allowed to apply for settlement of the loan account for which such guarantee / mortgage is provided by the Guarantor(s) / Mortgager(s). In the event of successful payment of the settlement amount as determined under this scheme, the Guarantee / Mortgage shall be released in favour of the Guarantor(s) / Mortgager(s). However, No Dues Certificate (NDC) shall not be issued in such cases.
- xi) Notwithstanding anything contained in this scheme, the OSFC reserves the right to accept or reject any application for settlement of loan dues made under this scheme at any stage without assigning any reason thereof. Submission of application under this scheme and / or payment of processing charge / initial deposit / settlement amount in part or full shall not debar the Corporation from taking recourse to other alternative measures for recovery of the outstanding dues from the applicant(s).

3. **EFFECTIVE PERIOD:**

- i) This scheme shall be effective and shall come into operation from dt.15.03.2007.
- ii) The last date for receipt of application from new cases under the scheme shall be 30.09.2007.
- iii) The last date for receipt of application from switchover cases shall be 15.04.2007.

4. **INITIAL DEPOSIT:**

All applicants under the OTS-2007 scheme are required to make an initial deposit along with the application. Initial deposit shall be 10% of the principal outstanding as on the date of OTS application for all applicants including switchover cases from OTS schemes launched in 2005-06. In other words, both fresh applicants and switchover cases shall have to make payment of 10% of the principal outstanding amount under the new scheme to become eligible to avail themselves of the same. As regards payments made under the previous OTS policy (2005-06) in case of switchover cases, the same shall be treated as payment made over and above the initial deposit of 10% of principal outstanding under the new OTS Policy-2007.

5. **PROCESSING CHARGE:**

All the applicants shall deposit non-refundable processing charge along with the OTS application as prescribed hereunder:

Sl. No.	Disbursement Band	Processing charge
1	Total disbursement up to Rs.25,000.00	Nil
2	Total disbursement above Rs.25,000.00 and up to Rs.5,00,000.00	Rs.1,000.00
3	Total disbursement above Rs.5,00,000.00 and up to Rs.20,00,000.00	Rs.2,000.00
4	Total disbursement above Rs.20,00,000.00 and up to Rs.50,00,000.00	Rs.5,000.00
5	Total disbursement above Rs.50,00,000.00	Rs.10,000.00

6. **PROCEDURE OF APPLICATION:**

- i) The eligible borrower must submit an application in the prescribed format along with other requisites wherever necessary.
- ii) The application in prescribed format must be accompanied with requisite non-refundable processing charge and initial deposit by way of Demand Draft / Pay Order / Bankers Cheque / Cash. Applications not complying with this

requirement shall be deemed to be incomplete and shall be liable for summary rejection. No acknowledgement shall be issued for such applications.

- iii) The application must also be accompanied with audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for FY 2003-04, 2004-05 and 2005-06 along with other documents, if any, for cases having disbursement above Rs.20.00 lakh excluding ineligible loans.
- iv) On receipt of the OTS application along with required documents, if any, and upon payment of processing charge and initial deposit as per applicability in the scheme, the applicant loanee shall be issued an acknowledgement by the Branch concerned. This acknowledgement however, is only a record of the fact that the loanee has submitted his/her/their application along with processing charge and initial deposit to the Branch concerned on a specific date. Receipt of application and initial deposit and processing charge by the Branch and / or issue of acknowledgement for the same does not confer any right of acceptance of the OTS application on the applicant loanee. The application form so received shall be further subject to detailed scrutiny and verification of accounts, documents, assets etc. and in due course decision regarding the settlement or otherwise under the OTS – 2007 Scheme shall be communicated to the applicant loanee by the competent authority of OSFC.
- v) Any application which is found to be incomplete in any respect shall be liable for rejection at the Branch level itself and no acknowledgement for such application shall be issued.

7. **PROCESSING OF APPLICATION AND DELEGATION OF AUTHORITY:**

- (i) Having received the application in prescribed application form complete in all respects and having satisfied that necessary processing charge and initial deposit have been paid by the applicant loanee, the Branch Office shall issue an acknowledgement in the prescribed format to the applicant loanee.
- (ii) Thereafter, the Branch Office shall undertake detailed scrutiny of the OTS proposal as per the various parameters prescribed in the Scheme and also conduct a detailed verification of the documents submitted along with taking up of preliminary scrutiny of the accounts relevant to the applicant loanee. The Branch shall also take up field verification of the assets, wherever necessary.

(iii) **Delegation of Authority for processing of proposals:**

Disbursement Band	OTS to be recommended by	OTS to be approved by	Condonation of angle of willful default / fraud & malfeasance to be recommended by	Angle of willful default / fraud & malfeasance to be Condoned by
Up to Rs.25,000/-	BLOTSAC	DGM / BM	BLOTSAC	Managing Director
Above Rs.25,000/- and up to Rs.5.00 lakh	BLOTSAC	DGM / BM	BLOTSAC	Managing Director
Above Rs.5.00 lakh and up to Rs.20.00 lakh	BLOTSAC	DGM / BM	BLOTSAC	Managing Director
Above Rs.20.00 lakh and up to Rs.50.00 lakh	BLOTSAC	Managing Director	OTSAC	Managing Director
Above Rs.50.00 lakh	OTSAC	Executive Committee	OTSAC	Managing Director

iv) The constitution of OTSAC at Head Office level and BLOTSAC at Branch level are as under:

(A) Constitution of OTSAC at H.O.

- (i) HOD of Recovery Department - Chairman
- (ii) HOD of Finance Department - Member
- (iii) HOD of Legal Suit Department - Member
- (iv) HOD of Business Develop Deptt. - Member
- (v) HOD of Internal Audit Department - Member
- (vi) HOD of Internal Vigilance Department - Member
- (vii) DGM/B.M of the concerned Branch - Member Convenor

(B) Constitution of BLOTSAC at B.O.

- (i) DGM/BM, OSFC - Chairman
- (ii) Senior most Officer from Finance wing - Member
- (iii) Technical Officer, - Member
- (iv) Legal Officer/Asst. - Member

NOTE:

- (a) In the absence of the designated Chairman, the next senior most officer present shall chair the meeting.
- (b) The DGM / BM of the concerned Branch may co-opt any other Officer / Assistant against the Technical officer and Legal officer/ Assistant, if not available in the branch.
- (c) While notifying the committee at Branch i.e., BLOTSAC, the DGM/ BM of the concerned Branch shall notify one of its member as member convenor.
- (d) No sub delegation / representative shall replace a designated member in BLOTSAC or OTSAC.
- (e) The Managing Director is authorized to reconstitute the OTSAC / BLOTSAC, whenever necessary.

8. SETTLEMENT FORMULAE:

The settlement amount recoverable under different disbursement Bands is as below:

BAND	SETTLEMENT FORMULA		
Total Disbursement up to Rs.25000/-	Amount disbursed minus Repayment since inception till date of application or 50% of amount disbursed, whichever is lower		
Total Disbursement above Rs.0.25 lakh and up to Rs.5 lakhs	Amount disbursed plus Interest @ 5% to 10% till cut off date (31.03.2003 for cases under Sl. No. 1,2,3 & till date of application for Sl. No. 4) less Repayment since inception till date of application or Principal outstanding as on date of application, whichever is lower		
	Sl.No	Condition	Rate
	1	Loan period is more than 20 years till cut off date or one who has repaid more than 200% of amount disbursed	@ 5% p.a. till cut off date
	2	Loan period is more than 15 years & up to 20 years till cut off date or one who has repaid more than 150% & up to 200% of amount disbursed	@ 7% p.a. till cut off date
	3	Loan period is up to 15 years till cut off date but disbursed prior to 31.03.1998	@ 8% p.a. till cut off date
4	Loan is disbursed after 31.03.1998	@ 10% p.a. till date of application	
Total Disbursement above Rs.5 lakh and up to Rs.20 lakhs	Amount disbursed plus Interest @ 7% to 12% till cut off date (31.03.2003 for cases under Sl. No. 1,2,3 & till date of application for Sl. No. 4) less Repayment since inception till date of application or Principal outstanding as on date of application, whichever is higher		
	Sl.No.	Condition	Rate
	1	Loan period is more than 20 years till cut off date or one who has repaid more than 200% of amount disbursed	@ 7% p.a. till cut off date
	2	Loan period is more than 15 years & up to 20 years till cut off date or one who has repaid more than 150% & up to 200% of amount disbursed	@ 9% p.a. till cut off date
	3	Loan period is up to 15 years till cut off date but disbursed prior to 31.03.1998	@ 10% p.a. till cut off date
4	Loan is disbursed after 31.03.1998	@ 12% p.a. till date of application	

Total Disbursement above Rs.20 lakh and up to Rs.50 lakhs	Amount disbursed plus Interest @ 9% to 12% till cut off date (31.03.2003 for cases under Sl. No. 1,2,3 & till date of application for Sl. No. 4) less Repayment since inception till date of application or Principal outstanding as on date of application, whichever is higher		
	Sl.No.	Condition	Rate
	1	Loan period is more than 20 years till cut off date or one who has repaid more than 200% of amount disbursed.	@ 9% p.a. till cut off date
	2	Loan period is more than 15 years & up to 20 years till cut off date or one who has repaid more than 150% & up to 200% of amount disbursed	@ 10% p.a. till cut off date
	3	Loan period is up to 15 years till cut off date but disbursed prior to 31.03.1998	@ 11% p.a. till cut off date
	4	Loan is disbursed after 31.03.1998	@ 12% p.a. till date of application
Total Disbursement above Rs.50 lakhs	Amount disbursed plus Interest @ 10% to 13% till cut off date (31.03.2003 for cases under Sl. No. 1,2,3 & till date of application for Sl. No. 4) less Repayment since inception till date of application or Principal outstanding as on date of application, whichever is higher.		
	Sl.No.	Condition	Rate
	1	Loan period is more than 20 years till cut off date or one who has repaid more than 200% of amount disbursed	@ 10% p.a. till cut off date
	2	Loan period is more than 15 years & up to 20 years till cut off date or one who has repaid more than 150% & up to 200% of amount disbursed	@ 11% p.a. till cut off date
	3	Loan period is up to 15 years till cut off date but disbursed prior to 31.03.1998	@ 12% p.a. till cut off date
	4	Loan is disbursed after 31.03.1998	@ 13% p.a. till date of application

NOTE: There will be no refund in whatsoever manner, in case one has already repaid to the Corporation over and above the Settlement amount as per the applicable parameters, indicated above, however, in such a case, the Settlement amount will be equivalent to the amount of Initial deposit.

9. **COMPUTATION OF SETTLEMENT AMOUNT:**

(i) **Determination of Band:**

Band mentioned in the Settlement Formula will be decided on the basis of total original principal disbursement of all loans availed by the loanee excluding ineligible loans, Funded Capital Term Loan (FCTL) and Funded Interest Term Loan (FITL), if any. It will also not include disbursement of loans already closed.

- (ii) Each eligible loan disbursed to a loanee is to be taken as a separate loan for calculation of interest at applicable simple rate based on the age of loan mentioned in the column, "condition" of settlement formula.
- (iii) The age of each eligible loan shall be determined by taking the weighted average of amount of each disbursement forming part of the loan and periodicity of each such disbursement vis-à-vis cut off date / date of application as the case may be.
- (iv) In case an applicant loanee has availed more than one eligible loan, age of loan for each such individual loan shall be calculated separately in the above manner. The settlement formula for each individual eligible loan shall be applied for each such loan separately, if different loans fall under different age limits or different quantum of repayment.
- (v) Funded Capital Term Loan (FCTL) account created out of the principal outstanding of any loan during rephasing shall be ignored for arriving at the age of the loan.
- (vi) Repayment by a loanee on account of a particular loan shall mean the payment made towards principal and interest only for that particular loan. Payment on account of misc. expenses on L/A or others shall be ignored while calculating the repayment for arriving at the settlement amount of the particular loan.
- (vii) Repayment made against FCTL & FITL and interest thereon shall notionally be taken as payment towards the original loan(s) on pro-rata basis, from which such FCTL & FITL have been created.
- (viii) In case the loanee has availed more than one eligible loan, the settlement formula shall be applied against each individual loan and shall not be compared with the principal outstanding against each such individual loan. However, the sum total of the settlement amount so arrived in each case shall be compared with the sum total of principal outstanding as on date of application (DOA) of all individual loan so as to arrive at a single final settlement amount.

- (ix) Expenses on loan account as on the date of application for OTS and further Misc. Exp. to be charged till the date of final payment of settlement amount shall be payable over and above the settlement amount.
- (x) **Switchover cases:**
 - (a) While computing the settlement amount in cases of switchover from OTS Schemes of year 2005-06, the settlement order issued earlier shall be cancelled at the Branch level before processing the OTS-2007 application, if not cancelled earlier.
 - (b) In such cases, payment made by the loanee (including the initial deposit) against the 2005-06 OTS Schemes, shall not be considered as normal repayment towards loan dues while computing the settlement amount under the current Scheme. Such payment made under the previous OTS scheme of 2005-06 shall notionally be brought forward and be treated as payment made over and above the current initial deposit and adjusted towards repayment amount required towards the settlement amount under the current scheme, in other words, any earlier repayments made under the earlier OTS schemes of 2005-06 shall notionally form a part of the repayment together with the initial deposit so paid under the scheme without passing any reverse entry in the books of accounts.

10. **PAYMENT OF SETTLEMENT AMOUNT UNDER OTS-2007:**

(A) New Cases:

The applicant loanee(s) are required to pay the settlement amount in the following manner:

- (i) 25% of the settlement amount inclusive of initial deposit is to be paid within 60 days from the date of communication of the settlement order failing which, the settlement order shall stand withdrawn.
- (ii) Balance 75% of the settlement amount is to be paid in 10 equated monthly installments. Failure to pay any installment will attract interest @ 13.5% p.a on the unpaid amount for the period of default. Delayed period interest shall be payable simultaneously with the defaulted installments. On failure to pay three consecutive equated monthly installments, the settlement order shall stand cancelled.
- (iii) Revocation of cancellation order may be considered within one year of the issue of settlement order, if balance unpaid settlement amount is paid along with interest at the rate of 15.50% p.a for the period of delay on unpaid

settlement amount. Similar provision shall also apply for any default in payment of 25% up-front payment which is to be paid within 60 days from the date of communication of settlement order.

- (iv) The settlement order shall become automatically invalid after lapse of one year from the date of communication of the settlement order, if total payment along with delayed period interest and other expenses & also other loans are not paid within prescribed period of one year.
- (v) The DGMs in charge of Branches / Branch Managers of OSFC shall be competent to cancel and issue cancellation orders in such default cases irrespective of approving authority for any loanee. Similarly, revocation of cancellation order, as prescribed above shall also be done by DGM / BM of Branches.
- (vi) **Rebate for prompt payment:**
 - (a) Rebate of 3% on the current settlement amount of OTS – 2007 for eligible loans shall be allowed to a loanee who pays the entire settlement amount including the initial deposit within a period of 30 (thirty) days from the date of communication of the settlement order.
 - (b) Rebate of 1% on the current settlement amount of OTS – 2007 for eligible loans shall be allowed to a loanee who pays the entire settlement amount including the initial deposit within a period of 60 (sixty) days from the date of communication of the settlement order.
 - (c) Rebate for prompt payment shall not result in any sacrifice of either principal outstanding and / or Misc. Expenses on L/A.

(B) Payment of the settlement amount by switchover cases:

- (a) The payment received from switchover cases towards old OTS 2005-06 shall be deducted from the current scheme settlement amount and shall be the “balance due”. 25% of the balance due minus the current initial deposit shall be paid within 60 (sixty) days from the date of communication of the settlement order, failing which the settlement order shall stand withdrawn.
- (b) The remaining 75% of the “balance due” is to be paid in 10 equated monthly installments. Failure to pay any installment will attract interest @ 13.5% p.a on the unpaid amount for the period of default. Delayed period interest shall be payable simultaneously with the defaulted installments. On failure to pay three consecutive equated monthly installments, the settlement order shall stand cancelled.

- (c) Revocation of cancellation order may be considered within one year of the issue of settlement order, if balance unpaid settlement amount is paid along with interest at the rate of 15.50% p.a for the period of delay on unpaid settlement amount. Similar provision shall also apply for any default in payment of 25% up-front payment which is to be paid within 60 days from the date of communication of settlement order.
- (d) The settlement order shall become automatically invalid after lapse of one year from the date of communication of the settlement order, if total payment along with delayed period interest and other expenses & also other loans are not paid within prescribed period of one year.
- (e) The DGMs in charge of Branches / Branch Managers of OSFC shall be competent to cancel and issue cancellation orders in such default cases irrespective of approving authority for any loanee. Similarly, revocation of cancellation order as prescribed above shall also be done by DGM / BM of Branches.
- (f) **Rebate for prompt Payment:**
 - (i) Rebate of 3% on the "balance due", shall be allowed to a loanee who pays the entire balance due within a period of 30 (thirty) days from the date of communication of settlement order.
 - (ii) Rebate of 1% on the "balance due", shall be allowed to a loanee who pays the entire balance due within a period of 60 (sixty) days from the date of communication of settlement order.
 - (iii) The rebate for prompt payment shall not result in any sacrifice of either principal outstanding and / or Misc. Expenses on L/A

11. **SPECIAL INCENTIVE FOR REPAYMENT OF SUPER-CYCLONE LOAN & RTDM LOAN OUTSTANDING:**

The following procedure shall apply for loanees who wish to avail special incentive for payment of Super-cyclone loan and RTDM loan.

- (i) A separate application on plain paper indicating the intent of the loanee to avail of the special incentive as applicable under the current scheme shall be required to be made to the concerned Branch.

- (ii) Such applications can be made from dt.15.03.07 up to dt.30.09.07 only and the date of application shall be reckoned with the date on which such application is acknowledged by the concerned Branch.
- (iii) For switchover cases such applications can be made from dt.15.03.07 to dt.15.04.07 only.
- (iv) For super cyclone loans (1999) and loans under RTDM, interest rebate equivalent to one year simple interest on principal disbursement or interest outstanding as on the date of application on such loans, whichever is less, shall be allowed as a special rebate.
- (v) The rebate shall be deducted from the outstanding as on the date of application (DOA) without any further accrual of interest from DOA.
- (vi) The net crystallized amount i.e outstanding minus rebate plus miscellaneous expenses on L/A so arrived shall be repaid in twelve equated monthly installments within the maximum period of one year from the date of communication of OTS order against eligible loans.
- (vii) For default in installment payment, penal interest shall be levied as provided for defaulted installments of eligible loans.

12. **PAYMENT OF OTHER LOANS:**

Loans not eligible for settlement / special incentive under the current scheme are required to be paid normally over and above the settlement amount of eligible loans and over and above the super-cyclone loan and / or RTDM loan incentivised repayment amount.

13. **AUTHORITY TO CONSIDER APPEAL:**

If an applicant is aggrieved by the order of settlement, he /she /they may file an appeal before the Managing Director within fifteen days of communication of the Settlement Order. Managing Director of OSFC would be the Competent Authority to consider this appeal and take a final decision in the matter.

14. **OTHER CONDITIONS:**

- (i) The loanee(s) eligible under this scheme and who fails to apply under this scheme within the prescribed period shall not be eligible for any other OTS scheme in future.
- (ii) The unit / loanee / promoter shall not be eligible for availing further financial assistance from the Corporation for a minimum period of three years from the date of issue of NDC, once the accounts are settled under this scheme.

- (iii) Once the loan account is settled, the Corporation shall not be liable for payment of any institutional / statutory dues of any kind against the unit / loanee. The loanee alone shall be liable for such payment(s).
- (iv) Miscellaneous Expenses on L/A accrued and remaining unpaid shall have to be paid along with the settlement amount. Unpaid miscellaneous expenses on L/A shall not be waived under any circumstances.
- (v) FITL shall not be treated as principal. It shall be treated as part of interest only.
- (vi) There will be no refund in whatsoever manner, in case one has already repaid to the Corporation over and above the Settlement amount as per the applicable parameters, indicated above, however, in such a case, the Settlement amount will be equivalent to the amount of Initial deposit.
- (vii) In case of mutual transfers, the terms of transfer shall prevail while considering eligible cases under this OTS Scheme.

15. **DEFINITION:**

- (i) Date of acknowledgement by concerned Branch shall be the Date of Application (DOA).
- (ii) **Date of communication of the settlement order:**
 - (a) Date of communication of the Settlement order is the date of issue of the Settlement order by the Competent Authority.
 - (b) Due date(s) for payment of Settlement Amount is to be calculated from the date of communication of the Settlement order excluding the date of issue.
 - (c) If the due date happens to be a public holiday for the Corporation, the next working day shall be accepted/ considered as the due date.
- (iii) **Satisfaction of payment on due date(s):**
 - (a) If the payment on any due date is made through local draft/local bankers cheque / local pay order, it would be accepted as a payment on the said due date, provided that the said instrument(s) are credited within three working days from presentation of such instrument(s) and in such case no interest shall be charged for the period of delay in collection.
 - (b) Since cheques are also acceptable instrument of payment, if the payment is made on due date through local cheque(s) it would be considered to have been paid on the due date, but the party shall have to pay interest for the period it takes for actual credit of such cheque(s), to the account of the Corporation.

(iv) **Balance Settlement Amount:**

Balance Settlement amount shall be the unpaid amount/ installments of Settlement amount lying unpaid as on a particular date.

(v) **Delayed or default period:**

Settlement amount is normally to be paid by due date(s) as calculated from the date of communication of settlement order. The period of default is to be calculated excluding the date of communication of the settlement order taking the due date(s) into account.

16. **RESIDUAL CLAUSE:**

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

17. **INTERPRETATION:**

Doubts relating to interpretation of any term or clause or any ambiguity or confusion arising during interpretation or implementation of the scheme shall be referred to the Managing Director, who shall be the competent authority to issue necessary clarification and is authorized to take remedial measures for smooth operation and success of the scheme. Executive instructions necessary for implementation of the scheme shall be issued by the Managing Director.

MANAGING DIRECTOR