

O.O.No.40/2019

Dated: 18.11.2019

OFFICE ORDER

Sub: SIPCOT- TERM LOAN LENDING ACTIVITY - RECOVERY OF DUES THROUGH ONE TIME SETTLEMENT (OTS) - REVISION OF POLICY AND GUIDELINES - BOARD'S APPROVAL - REG

Ref: O.O.No.38/2019 Dated:7.11.2019

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In continuation of the O.O. cited above, the categorisation of the assisted units and concessions to be extended for One Time settlement (OTS) of Term Loan dues by the assisted units as approved by the Board on 31.10.2019 is given below:

CATEGORY - I:

Condition	OTS amount	Concessions to be extended
The market value of the primary and the collateral security (valuation done by TIIC/IT panel valuer within one year) is less than the term loan principal outstanding to SIPCOT, TIIC and other institutions.	The OTS would be principal + other dues + 4% simple interest will be charged on the principal outstanding as per books of accounts of SIPCOT and the interest amount already paid by the company will be adjusted against this component. In case the interest already collected by SIPCOT is in excess of 4% simple interest the OTS amount would be principal outstanding and other dues.	Waiver of penal interest, additional interest levied due to foreclosure effect, interest on interest and part of simple interest.
The market value of the primary and the collateral security (valuation done by TIIC/IT panel valuer within one year) is more than the term loan principal outstanding to SIPCOT, TIIC and other institutions.	The OTS would be principal + other dues + 6% simple interest will be charged on the principal outstanding as per books of accounts of SIPCOT and the interest amount already paid by the company will be adjusted against this component. In case the interest already collected by SIPCOT is in excess of 6% simple interest the OTS amount would be principal outstanding and other dues.	Waiver of penal interest, additional interest levied due to foreclosure effect, interest on interest and part of simple interest.

CATEGORY-II:

In respect of all other units which are not covered under Category-I, the same will be examined and placed before the OTS Committee/Board for consideration and approval on case to case basis depending upon the merits of the case.

Further approved to collect the outstanding Area Development dues excluding the dues for the possession period of SIPCOT at the interest rate as applicable to the respective Category in the OTS policy till the date of settlement along with OTS amount by the assisted units.

This revised OTS policy is effective from the above mentioned date of Board Meeting.

The processing fee to be collected along with OTS application is Rs.25,000/- (Rupees Twenty five thousand only) (non-refundable) + GST as applicable.


The modus operandi for implementing OTS is enclosed as Annexure.

The above Office order is issued in supersession of all earlier proceedings/ Circulars/Office orders issued in this regard.

Sd/-
J.KUMARAGURUBARAN
MANAGING DIRECTOR

To
All General Managers
All HODs
All Project Managers/All Project Officers/P.O. i/c.
PS to MD
PS to ED

/forwarded by order/


DEPUTY GENERAL MANAGER(F&R)
#B paly

MODUS OPERANDI FOR IMPLEMENTING OTS

- a. 10% of the principal outstanding amount has to be paid as upfront fee at the time of application for One Time Settlement along with the processing fee of Rs.25,000/- (Rupees twenty five thousand only) with applicable GST.
- b. If the upfront fee (down payment) is remitted by a third party on behalf of the unit/company the amount so received shall be kept in Sundry deposit account and in case the OTS offer is not found acceptable by the Corporation such payment would be refunded without interest.
- c. The company should convey its acceptance of OTS offer and pay 25% of the OTS amount within 15 days from the date of communication.
- d. The company shall pay the entire balance OTS amount within 90 days from the date of communication.
- e. MD may accord Extension of Time upto 12 months from the date of communication.
- f. The OTS amount would carry a simple interest at the rate of 13% p.a. from the 91st day of OTS communication letter.
- g. The request of the assisted units for OTS has to be placed before the OTS Committee/Board of SIPCOT for approval / sanction.
