

U.P. Financial Corporation,
14/88, Civil Lines, Kanpur.

No. 2258 /FC/ZONE/20-21

Dated: 01.07.2020

CIRCULAR NO. 06 /2020-21

30-6-2020

All Regional Managers,
U.P. Financial Corporation,
_____.

Reg: Revised OTS Guidelines.

The Board of Directors of the Corporation in its meeting held on 16.06.2020 approved certain modifications / amendments for short term period in the existing OTS guidelines-2012 and revised in 2014 for settlement of Chronic NPAs in the following manner:-

1. Ammended / Revised Formula for arriving at OTS amount cases falls under D-III Category.

Marks / Score obtained as per debt rating module	Minimum OTS amount	Payment Schedule.
1. 1 to 70	OSP + Expenses + loading as applicable.	A. 25% of OSP as token money with proposal.
2. 71 to 75	OSP + 25% of Outstanding simple interest + Expenses + loading as applicable.	B. 50% of settled OTS amount including earnest money within one month from the date of communication of approval.
3. 76 to 80	OSP + 50% of Outstanding Simple interest + Expenses + loading as applicable.	C. Rest within six months with simple interest @ 13.5%.
4. 81 to 85	OSP + 75% of Outstanding Simple interest + Expenses + loading as applicable.	
5. 86 & above	OSP + 100% of Outstanding Simple interest + Expenses + loading as applicable.	

Terms and conditions:-

1. The time period for submission of application for OTS alongwith required token money under amended guidelines is only for three months i.e. from 01.07.2020 to 30.09.2020.
2. The Simple interest @ 13.5% or documented rate of interest whichever is lower shall be applicable for calculation of interest on loan account.

- The indicative OTS amount shall not exceed the valuation of mortgaged assets subject to the condition that there is no write off.

2.Revival of cancelled OTS Cases:

Particulars	Minimum OTS amount	Payment Schedule
1. In all earlier Settled cases where disbursed amount is upto Rs.5.00 lacs. 2. In all cases where OTS was approved after 24.05.2012 i.e. after implementation of existing OTS guidelines-2012.	Balance OTS amount + Expenses + Simple interest @ 11%.	A.50% of balance OTS amount as a token money with proposal. B. Rest amount alongwith interest shall be paid within three months from the date of issuance of letter.

General norms of the OTS / Revival of OTS:-

- All the proposals covered under amended guidelines shall have to be put up before Settlement Committee for decision.
- If the borrower has earlier consented for higher amount as well as if the corporation earlier received any valid offer then the highest among all will be considered as OTS amount.
- The computation of outstanding simple interest for OTS & revival of OTS shall be as per existing guidelines-2012.
- The condition No.19 of the existing OTS guidelines regarding incentive for quick payment shall not be applicable on the proposals settled under amended guidelines.
- Revival of OTS cases of loss category / any other category cases shall continue to be settled as per existing policy.
- All other guidelines as per existing policy-2012 subsequently revised in 2014 shall remain unchanged.

You are requested to take further action for Settlement of NPA accounts accordingly.

(GOVINDARAJU N.S.)
MANAGING DIRECTOR

Copy to:

- All Departmental Head at H.O., U.P. Financial Corporation, Kanpur.
- M.D. Camp, U.P. Financial Corporation, Kanpur.
- Spare Copy for record.

4- I/c Admin
30.06.2020

(R.B. Verma)
I/C ZONE

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