

MANUAL - III

The procedure followed in the decision making process, including channels of supervision and accountability;

SANCTION PROCEDURE OF LOANS UNDER DIFFERENT SCHEME:

Sanction of loans suspended since September 2007.

REHABILITATION:

In order to address the problems of the SSI Sector and help the SSI units which have become sick but are potentially viable, a comprehensive policy of rehabilitation package based on RBI guidelines have been framed. The promoter approaches the R.O. when unit become sick as per definition of RBI guidelines. The R.O. prepares the rehabilitation package, if unit is potentially viable and recommends relief's and concession as per RBI guidelines to turn around the sick unit. The rehabilitation package prepared is sent to H.O. and Zonal Office at H.O. examines the package and put up the same to competent authority for approval.

The gist of relief's and concessions which can be granted to potentially viable sick SSI units is available at Head Office/Regional Office.

RECOVERY:

If unit makes two consecutive defaults in payment of principal and or interest, Corporation can issue notice under section 29 for taking over the physical possession of the unit. The physical possession is taken only after taking into confidence the local chamber / association when all other avenues of recovery are exhausted. The Corporation has other option of recovery under U.P. Public Money Act to recover the loan outstanding as an arrears of land revenue by issuing recovery certificate. Managing Director is only authorized to issue recovery certificate, whereas notice under section 29 can be issued by Regional Manager and Sr. Officers of the rank of Dy. General Manager and above depending upon the quantum of the loan amount.

There is comprehensive policy for recovery by way of sale of assets under section 29 wherein norms for sale of assets alongwith procedural guidelines have been enumerated. The latest guidelines are available at the web site of the Corporation.

Similarly to settle the sticky loan accounts a comprehensive OTS policy has been drawn out by Corporation wherein certain norms and delegations of power to settle the loan accounts alongwith constitution of the settlement committee have been enumerated. The latest guidelines are available at the web site of the Corporation.