

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

Ref. No. 700 /FC/ Zone/2023-24

Date: 27/02/2024

CIRCULAR NO-03 /2023-24

All Regional Managers,
U.P. Financial Corporation.

Reg: Revised OTS Guidelines.

The Board of Directors of the Corporation in its meeting held on 02.02.2024 approved extension of time of amended/revised OTS policy 2020 for D-III cases till the new policy adopted by the Corporation with certain modifications / amendments. The details of the OTS guidelines are as under in following manner:-

1. Amended / Revised Formula for arriving at OTS amount in cases where the unit is established in Private land 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 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 Simple interest 13.5% or documented rate of interest whichever is lower shall be applicable for calculation of interest on loan account.

- b. 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	Balance OTS amount + Expenses + Simple interest @ 11%.	A. 50% of balance OTS amount as a token money with proposal. B. Rest amount along with interest shall be paid within three months from the date of issuance of letter

3. Amended / Revised Formula for arriving at OTS amount in cases where the unit is established in Industrial land under D-III Category.

- (i) In cases where unit is established in Govt. Industrial land i.e. UPSIDA/DIC/ Other Govt. Industrial Authorities, the OTS amount may be considered equal to amount of land as per current circle rate of concerned authorities.
- (ii) Borrowers who are not agreed to settle their account as per condition no. 3(i), then borrowers may be advised to submit the consent letter for transfer of land as per prescribed format and after disposal of mortgaged industrial land, the sale consideration received to the Corporation shall be treated as a OTS amount of the concerned unit.
- (iii) In case Borrowers are not agreed to settle their account as per condition no. 3(i) & (ii) then Corporation will initiate recovery action for sale of the unit and also initiate recovery action against the borrowers through other measures.

General norms of the OTS / Revival of OTS:-

1. All the proposals covered under amended guidelines shall have to be put up before the Board for decision.
2. 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.
3. The computation of outstanding simple interest for OTS & revival of OTS shall be as per existing guidelines-2012.

4. 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.
5. Revival of OTS cases of loss category / any other category cases shall continue to be settled as per existing policy.
6. 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.



(RAJESH KUMAR)
MANAGING DIRECTOR

Copy to:

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



(PAWAN KUMAR)
INCHARGE (ZONE)