

SARASWAT CO-OP BANK LTD.

**“ONE-TIME SETTLEMENT SCHEME FOR MSME UNITS”
(VALID UP TO 15TH MARCH 2024)**

(SCHEME NAME: KARZ MUKTI – MSME)

i. Cases Eligible:

1. All NPA accounts where the outstanding Ledger Balance (Principal + Applied Interest dues) as on the date of application **is more than Rs.1.00 crore but not more than Rs.5.00 crore.**
2. The account must have been classified as **NPA for at least six months** prior to the date of receipt of OTS application.
3. Borrowers must fall under MSME category as defined in the MSMED Act, 2006.
 - a) Borrowers must provide their latest **audited** balance sheet to ascertain eligibility under MSME Sector.
 - b) Based on the criteria for classification into MSME Sector, the accounts must be Classified as either MICRO / MEDIUM / SMALL in the Bank’s system as on the date of receipt of OTS application.
4. Both Secured and Unsecured NPA Accounts are eligible for applying under the scheme.
5. Accounts under consortium or multiple banking arrangements will also be eligible to be covered under the scheme, subject to the compliance of restrictive covenants, if any, contained in the Consortium / Multiple Banking agreement.

ii. Cases NOT eligible:

1. Cases of Quick mortality, Fraud, malfeasance and Wilful defaulter.
2. Advances against security of FDR, NSC, Gold, e-stock and other tangible securities.

iii. Validity:

The KMY-MSME OTS Scheme shall be valid **ONLY FOR LIMITED TIME up to 15.03.2024.** All proposals under this scheme should be sent **ON OR BEFORE 29.02.2024.**

iv. Parameters:

Unless specifically mentioned herein, all other parameters, methodology, payment terms & conditions will be as per the Board Approved Compromise Settlement Policy (enclosed for reference).

v. Settlement formula:

Minimum settlement amount under the scheme is given in the table mentioned below.

Sr. No.	Type of NPA	Minimum Settlement Amount				
1	Secured Portion of NPA	6 mths to 12 mths from NPA date	Ledger Balance or Net Present Value of Assets* (NPV) calculated as below whichever is HIGHER.			
		More than 12 mths from NPA date	Total Dues (including unapplied interest & unrecovered charges) or Net Present Value of Assets (NPV) calculated as below whichever is LOWER.			
			Residual portion of the Ledger Balance, if any, to be recovered on best efforts basis.			
2	Unsecured NPAs	Age of NPA	6 mths to 18 mths	> 18 mths to 36 mths	> 36 mths to 54 mths	> 54 mths
		Amount	70 % of unsecured Ledger Bal	50 % of unsecured Ledger Bal	35 % of unsecured Ledger Bal	15-35% of unsecured Ledger Bal

* Other Assets in Borrowers / Guarantor’s name will be included for calculation of NPV.

NPV will be calculated based on Value derived by Bank’s Approved Valuers as per **Valuation Report not earlier than 6 months.**

vi. Payment Terms:

- a. **Minimum Upfront payment of 25%** of the Settlement Amount to be paid with Application.
- b. The Balance amount of settlement to be paid **within one month** unless the period is further extended at the discretion of the Bank.
- c. **Failure** to pay any the stipulated settlement **will result into the Settlement being automatically cancelled.** The Bank shall forfeit all amounts paid and proceed for recovery of further amounts.

PLEASE CONTACT THE BRANCH MAINTAINING YOUR ACCOUNT/S.

THE BANK’S MAY REJECT ANY OFFER WITHOUT CITING REASONS AND THE BANK’S DECISION IN RESPECT OF OTS WILL BE FINAL.