

Frequently Asked Questions (FAQs) on Non Discretionary One Time Settlement Scheme (OTS)

To facilitate smooth operation of the scheme a list of FAQs/ doubts with clarifications there-against have been given below:

Frequently Asked Questions

S/N	Issue	:	Clarification
1.	Whether the guidelines are applicable to NPA accounts which are recalled by Bank also?	:	Yes. The guidelines are applicable to all eligible NPA accounts lying in live and in recalled assets.
2.	Whether the guidelines are applicable to NPA accounts written off prior to 31.3.2009?	:	Yes. All accounts written off by Bank prior to 31.3.2009 will also be eligible.
3.	Whether the guidelines are applicable to NPA accounts written off after 31.3.2009?	:	Yes. Accounts written off after 31.3.2009 will also be eligible.
4.	Cases pending before Courts / DRTs / BIFR – Recovery Certificates (RC) issued / BIFR order available are also eligible?	:	Yes, after the money is realized the same shall be informed to the respective Courts / DRTs / BIFR and accordingly the matter/case shall be disposed off against the borrower in terms of the OTS and reduced into an order of the said forum.
5.	Whether accounts pending before the Lok Adalats will be eligible?	:	Yes, after the money is realized the same shall be informed to the Lok Adalat and accordingly the matter/case shall be disposed off against the borrower in terms of the OTS and reduced into an order of the said forum.
6.	Whether the guidelines are applicable to NPAs where State/ Central Govt. guarantees are available?	:	No. Compromises in State/ Central Govt. guaranteed advances would continue to be negotiated/settled on a case to case basis on the lines of Bank's extant instructions.
7.	Cases where compromise offers for amounts higher	:	Notices in such cases may be issued only with the prior approval of the authority who earlier rejected the compromise pro-

	than the minimum amount now prescribed under the scheme have been earlier rejected by the Bank on the ground that value of realizable security was higher – whether fresh offer for minimum amount can be accepted in such cases, if otherwise eligible as per the OTS Scheme.		posal. The minimum amount to be mentioned in notices to be issued in such cases should ordinarily be the amount last offered by the borrower.
8.	Eligible accounts closed in the normal course – Can requests for refund of amount paid in excess of minimum amount prescribed by ICICI- OTS-MSE-2010 Scheme be entertained?	:	No. Such request will not be considered.
9.	What is outstanding balance for this scheme?	:	Outstanding balance for this scheme is balance in the NPA account on March 31, 2009.
10.	Whether unapplied interest in the account up to the cut-off date (March 31, 2009) should be reckoned to arrive at the outstanding balance / settlement amount?	:	No. Unapplied interest need not be reckoned for classification of eligibility (upto Rs 50 million as on March 31, 2009). However, unapplied interest from the date of NPA till the date of classification as 'doubtful asset' will have to be paid by the borrower under settlement formula.
11.	What is the minimum settlement amount?	:	The settlement amount should not be less than 100% of the outstanding balance arrived at March 31, 2009 as per the guidelines, plus unapplied interest in the account till date of its doubtful classification.
12.	Whether subsequent recoveries in the account after the cut-off date are to be reckoned for arriving at the settlement amount?	:	Subsequent recoveries (excess of credit over debits in the account) of debit in the account may be reduced from the outstanding balance to arrive at the minimum settlement amount or alternatively, such recoveries may be treated as pay-

			ment received under ICICI-OTS-SME-2010.
13.	What should be the approach to accounts where rehabilitation/ restructuring was completed before the cut-off date or was under implementation as on the cut-off date?	:	In respect of accounts where rehabilitation/ restructuring has been completed or is under implementation as on 31.3.2009 and is otherwise eligible for ICICI-OTS-SME 2010, the settlement amount should be arrived at as on the cut-off date as if no rehabilitation/ restructuring was undertaken. Any additional amount, disbursed to the unit after the cut off date as part of the rehabilitation package, should also be recovered at the contracted rates of interest.
14.	Can the authority which approves OTS proposal, also approve withdrawal of court case / legal action from the borrower?	:	Yes. Upon advising the legal authorities of the settlement and only after full settlement amount is received by Bank.
15.	Could the benefit of the scheme be given to the accounts covered under CGTMSE ?	:	Yes. However, the intimation to the Credit Guarantee Fund Trust is required to be given prior to entering into OTS in such accounts which are covered.