

One Time Settlement Scheme for YBL SME Borrowers

This will be a non discretionary and non discriminatory Scheme.

(1) **Name of the Scheme**

The Scheme shall be designated as YBL Scheme for One Time Settlement of NPA of MSME

(2) **Eligibility**

- (a) The Scheme shall cover all NPAs in MSME sector as defined in the MSMED Act, 2006 and reproduced as under:-

1a) **Small Enterprises**

1.1 **Micro (manufacturing) Enterprises**

Enterprise engaged in the manufacture / production or preservation of goods and whose investment in plant and machinery (original cost excluding land and building) **does not exceed Rs.25.00 lakh, irrespective of the location of the unit.**

1.2 **Micro (service) Enterprise**

Enterprise engaged in the providing / rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings) **does not exceed Rs.10.00 lakh.**

1.3 **Small (manufacturing) Enterprises**

Enterprise engaged in the manufacture / production or preservation of goods and whose investment in plant and machinery (original cost excluding land and building, furniture and fittings) **more than Rs 25 lakh but does not exceed Rs.5.00 crore.**

1.4 **Small (service) Enterprise**

Enterprise engaged in the providing / rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other not directly related to the service rendered or as may be under the Micro, Small and Medium Enterprise Development, (MSMED), Act 2006) **more than Rs 10 .00 lakh but does not exceed Rs.2.00 crore.**

1.5 **Medium (manufacturing) Enterprises**

Enterprise engaged in the manufacture / production or preservation of goods and whose investment in plant and machinery (original cost excluding land and building and furniture & fittings) **is more than Rs.5.00 crore but does not exceed Rs.10.00 crore.**

1.6 **Medium (service) Enterprises**

Enterprise engaged in the providing / rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings) **is more than Rs.2.00 crore but does not exceed Rs.5.00 crore.**

The small and micro (service) enterprises shall include small road and water transport operators, small business, professional and self-employed persons and all other service enterprises.

Eligible borrowers will submit a written application seeking OTS as per the scheme to YBL branches.

(3) **Ineligible cases**

- (a) The cases of willful default / fraud and malfeasance will not be covered under the Scheme.
- (b) The accounts where suits have already been decreed will not be eligible to be covered under the Scheme.

(4) **Coverage**

- (a) All NPAs in the MSME Sector, classified as “Doubtful” or “Loss” on or before date of application with outstanding balance of Rs. 1.00 crore and below on the date on which the account was classified as doubtful.
- (b) Accounts under Consortium or Multiple Banking arrangement are also eligible to be covered under this Scheme.

(5) **Settlement Assessment as under**

The amount and period of settlement would be negotiated with the borrower/guarantor and who would normally be linked to the realizable value of the securities charged (their Net Present value should be lower than the NPV of the settlement amount)”

(6) **Computation of ANAP (Adjusted Net Amount Payable):**

- (a) Recoveries made after the date of the account becoming Doubtful shall be netted for arriving at ANAP.
- (b) Out of pocket expenses such as legal expenses, recovery agent expenses, security charges, insurance charges etc. shall be added to the outstanding balance as on specified date to arrive at the minimum amount payable by borrower. However, these may be waived by President BB/RB from computation of ANAP if specifically requested by the borrower and recommended by the Regional Head.

(7) **Payment:**

Payment of the above referred figure (Adjusted Net Amount Payable - ANAP) shall be made preferably within three months from the date of acceptance of the proposal by the borrower. Atleast 15% of the amount of settlement shall be paid upfront. If full amount is not paid within three months from the date of acceptance of the proposal, balance 85% is payable in installment upto 24 months together with interest thereon (as may be specified from time to time) from the date of acceptance of the proposal upto the date of final payment.

Approving Authority for One Time Settlement would be as per the Bank’s Credit Policy.