

The Managing Director,
All SCAs. (As per list)

Sub: Norms for "One Time Settlement of overdues" for the year 2016-17

Sir/Madam,

As you would kindly be aware National Backward Classes Finance & Development Corporation (NBCFDC) provides financial assistance at concessional rate of interest which are channelized by various nominated State Channelising Agencies.

As per records, some of the SCA(s) have defaulted in repayments of loans to NBCFDC which has been brought to notice of your office from time to time. Further, some SCAs have submitted requests for more liberal waivers by NBCFDC to facilitate one time settlement.

We are presently pleased to convey that with a view to expedite the settlement of overdues by SCAs to the National Corporation, the existing norms for settlement of overdues by the SCAs have been revised, as enclosed at **Annexure-I**. Under the revised norms, the SCAs can avail waiver of penal interest outstanding as on cut off date of settlement as well as partial/full waiver of penal interest earlier adjusted by NBCFDC from their recovery, in case of early repayment of the settlement amount.

You are requested to send your "One Time Settlement" proposal in terms of the said norms for our consideration at the earliest for availing the benefits under the said scheme during 2016-2017.

Thanking you,

Yours faithfully,

(Arvind Kathuria)

General Manager (Planning)

Encl: As above

g/c

"NORMS FOR ONE TIME SETTLEMENT OF OVERDUES"

(2016-17)

1. **COVERAGE**

- i) Borrowers (SCAs/NGOs/Students), who have some overdues under the head penal interest as on cut-off date, shall be eligible to be covered.
- ii) Claims may be submitted separately under General Loan Scheme, Micro Finance Scheme, Mahila Samridhi Yojna and Education Loan scheme.

2. **TERMS & CONDITIONS AND PROCEDURE:**

Terms used:

Cut-off date: It is the date with reference to which settlement amount is calculated.

Settlement amount: Total Overdue amount minus amount to be waived off as on cut-off date.

- (i) The settlement will be made with reference to the statement of account as appearing in the account books of NBCFDC.
- (ii) After receipt of settlement proposal from borrowers, NBCFDC shall consider & may accept & issue a sanction letter, in terms of the policy & borrowers shall comply with the same, as per the terms of sanction.
- (iii) Thereafter, after the settlement amount is paid as per terms, NBCFDC shall confirm to the borrowers about the waiver of penal interest in its accounts.

3. **SETTLEMENT FORMULA & PAYMENT CONDITIONS:**

Sl. No.	Options for waiver	Payment Conditions
1.	100% of penal interest (receivable) as on cut off date is waived.	<ul style="list-style-type: none"> i) 10% of repayment of settlement amount, by the end of the quarter, succeeding the quarter in which settlement proposal is accepted by NBCFDC. ii) 90% of the repayment of settlement amount, within two years after the end of the quarter in which settlement proposal is accepted by NBCFDC.

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2.	i) 100% of penal interest (receivable) as on cut off date is waived. ii) 50% of penal interest already adjusted from repayments by NBCFDC till cut off date is waived and adjusted towards other dues.	i) 10% of repayment of settlement amount, by the end of the quarter, succeeding the quarter in which settlement proposal is accepted by NBCFDC. ii) 90% of the repayment of settlement amount within 1½ years after the end of the quarter in which settlement proposal is accepted by NBCFDC.
3.	i) 100% of penal interest (receivable) as on cut off date is waived. ii) 100% of penal interest already adjusted from repayments by NBCFDC till cut off date is waived and adjusted towards other dues.	i) 10% of repayment of settlement amount, by the end of the quarter, succeeding the quarter in which settlement proposal is accepted by NBCFDC. ii) 90% of the repayment of settlement amount within 9 months after the end of the quarter in which settlement proposal is accepted by NBCFDC.

4. Overdue amount as on cut off date shall be frozen and no further simple interest/penal interest will be levied, subject to the satisfaction of NBCFDC with regard to the settlement.
5. In case of partial compliance or non-compliance of the terms and conditions, within the stipulated time by the borrowers, penal interest shall not be waived and overdues amount already frozen will be restored.

