



**ING VYSYA BANK ANNOUNCES A SPECIAL SCHEME FOR ONE TIME SETTLEMENT OF ACCOUNTS UNDER MICRO, SMALL AND MEDIUM ENTERPRISES SECTOR (MSME)**

Accounts covered under the scheme:

	Micro Enterprise	Small Enterprise	Medium Enterprise
Enterprise engaged in Manufacturing Activity			
Investment in Plant and Machinery	Does not exceed Rs.25 lacs.	More than Rs.25 lacs but does not exceed Rs.5 cr.	More than Rs.5 cr. but does not exceed Rs.10 cr.
Enterprise engaged in providing or rendering of services			
Investment in equipment	Does not exceed Rs.10 lacs.	More than Rs.10 lacs but does not exceed Rs.2 cr.	More than Rs.2 cr. but does not exceed Rs.5 cr.

Applicability:

- The Scheme is applicable to all existing NPA accounts in MSME Sector with book balance upto Rs.25 lacs which were outstanding as on 31.03.10 (including accounts where action has been initiated under SARFAESI Act, cases pending before Courts / DRTs and also decreed accounts.
- The Scheme will not cover cases of willful default, fraud and malfeasance.
- Subsidy, DICGC / ECGC / CGMSE claims, etc., wherever available, to the extent of appropriation shall be over and above the OTS amount.
- Wherever borrowers have filed cases against the bank / made counter claim, settlement under the Scheme shall be subject to withdrawal of the case / counter claim.

Effective Date:

The scheme comes into force with immediate effect and will be in force till 30.09.10.

Salient features of this OTS scheme:

**This is purely a non-discretionary and non-discriminatory scheme framed taking into account the unique problems faced by MSMEs.**

**Objective of the OTS Scheme:**

The Scheme aims at One Time Settlement with the MSME NPA borrowers, where the exposure of the Bank is not more than Rs.25 lacs per borrower, to ensure speedy settlement of the accounts without going into long drawn recovery process.

Payment terms:

The amount of settlement is payable in one lump sum. In case lump sum payment could not be made, at least 25% of the settlement amount shall be payable as upfront and the balance amount of 75% be payable within 3 months from the date of acceptance of the OTS proposal by the Bank with interest @ IVRR (simple) from the date of settlement till the date of final payment.

**Details of OTS scheme:**

**A) Accounts with adequate Security**

In the case of accounts with adequate security OTS amount must be equal to Book Balance plus interest at IVRR/Contracted rate whichever is less at simple rate for Micro & Small Enterprises and on compounded basis for medium enterprises from the date of NPA till the date of payment as per OTS.



#### **b) Accounts with inadequate Security**

In the case of accounts with inadequate security OTS amount must be not less than the distress value of security.

If the distress value is more than the book balance, the OTS amount would be Book Balance + Interest @ IVRR or Contract Rate (simple) whichever is lower. The OTS amount mentioned above would not exceed the distress value of security.

If the distress value is less than the book balance, OTS amount would be equal to the distress value of the security.

#### **c) Accounts with negligible or no Security**

**In case, the realisable value of the security is negligible Bank may consider OTS @ 50%, 60% & 75% respectively of the book balance in the case of Micro, Small & Medium Enterprises respectively..**

Obtaining Consent decree from Court:

Wherever a case is pending before a Court / DRT / BIFR, any settlement arrived at with the borrower is subject to obtaining a consent decree from the respective forum/authority.

For further details contact:

ING Vysya Bank Ltd.,  
Corporate Office  
ING Vysya House  
Special Loans Management Group  
No.22, M G Road,  
Bangalore – 560 001.  
Ph.No.080 - 25005000  
Email: [slmg@ingvysyabank.com](mailto:slmg@ingvysyabank.com)