

बैंक ऑफ महाराष्ट्र

केंद्रीय कार्यालय

लोकमंगल, 1501, शिवाजीनगर, पुणे



Bank of Maharashtra

Central Office,

Lokmangal, 1501, Shivajinagar, Pune

Compromise Settlement Scheme for Non Performing Loans under MSE sector

Bank of Maharashtra has put in place a compromise settlement scheme to non performing loans under Micro and Small Enterprises sector.

The details of the scheme are as under:

1. Coverage:

All the borrowal accounts under MSE sector, which have been identified as NPAs as on 31.03.2009 are covered under the scheme.

These guidelines are applicable to all the accounts, where bank has initiated action under the SARFAESI Act, 2002, cases pending before Courts / DRTs / BIFR, subject to consent decree being obtained from the Courts / DRTs / BIFR.

The scheme will not, however, cover cases of fraud, malfeasance and wilful defaulters.

2. Definition of Micro & Small Enterprises (MSE) :

2.1 Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:

- 2.1.1 A micro enterprise is an enterprise where investment in plant and machinery does not exceed Rs. 25.00 lakh;
- 2.1.2 A small enterprise is an enterprise where the investment in plant and machinery is more than Rs. 25.00 lakh but does not exceed Rs. 5 crore; and

2.2 Enterprises engaged in providing or rendering of services are specified below.

- 2.2.1 A micro enterprise is an enterprise where the investment in equipment does not exceed Rs. 10.00 lakh;
- 2.2.2 A small enterprise is an enterprise where the investment in equipment is more than Rs.10.00 lakh but does not exceed Rs. 200.00 lakhs

3. Compromise amount :

The following factors as on date of compromise will be taken into account while arriving at the compromise amount.

Realisable value of primary & collateral securities charged to the Bank; Marketability of securities; Net worth of the Borrowers and guarantors; Pre NPA age of the account; Age in NPA category.

4. Submission of applications:

All the eligible borrowers intending to avail concessions of compromise settlement scheme may approach the Branch Heads of respective branches, where the borrowers have their accounts and submit their applications not later than 10.03.2010 alongwith relevant documents. The proposals will be decided within a period of maximum 21 days of receipt of applications.

5. Payment :

The amount of settlement arrived at in both the above cases, should preferably be paid in one lump sum. In deserving cases, Bank may consider recovering the settlement amount in instalments. However, at least 25% of the amount of settlement should be paid upfront and the balance amount of 75% should be paid in suitable instalments within a period of maximum one year along with interest at prevailing BPLR from the date of settlement up to the date of final payment.

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