

Annexure VI - OTS policy

A. OTS policy for NPA accounts with book balance upto Rs.10.00 lacs

MRA in respect of MSE - NPAs with Book Balance upto Rs.10.00 lacs with total dues upto Rs.40.00 lacs is as below

S No	MRA in case of	Asset classification		
		Sub standard	Doubtful	Loss
1	In respect of all NPA accounts where total of Book balance is upto Rs.2.00 lacs	80 % of Book balance	60 % of Book balance	50 % of Book balance
2	In respect of all MSE - NPA accounts where total of Book balance is above Rs.2.00 lacs and upto Rs.10.00 lacs (Both secured & unsecured)	100 % of Book balance	75 % of Book balance	60 % of Book balance

Compromise amount is MRA plus the amount of MLE/MOX/Future law charges if any.

B. General OTS policy

MRA is book balance as on date of OTS negotiation plus interest component plus MLE/MOX/Future law charges less interest concession.

OTS amount may be considered as follows

- Where 75% of NPV of (realisable value of) securities is higher than MRA, then atleast 75% of the NPV of securities should be recovered
- Where 75% of NPV of (realizable value of) securities is lower than MRA, then atleast 75 % of NPV of securities
- In both the cases, 75% of NPV of realizable value of securities should be recovered