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HIMACHAL PRADESH FINANCIAL CORPORATION,
NEW HIMRUS BUILDING, CIRCULAR ROAD,
SHIMLA-171001

Ref No. HPFC/OTS/702

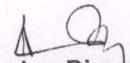
Dated: 20 MAY 2017

Office Order

The Board of Director of the Corporation in its meeting held on 01.06.2017 has approved the addition/amendment in revised OTS Guidelines for NPAs-2016 in Annexure A-1 by adding in clause II Settlement Formula – OTS amount, additional Sub clause – D: NPAs which fall within the legally defined category of the impossibility of contracts. The loan accounts which are categorized as legally defined category of impossibility of contract which were legal and possible when these had been entered into but which became illegal and hence impossible from execution point of view after some State interventions viz. judicial pronouncements (stone crushers), enactments banning the plastic (State intervention) or failure of the technology. The established failure date as given by the respective department would be taken as the cutoff date for recovering the principle amount and the interest due till that date into and impossibility or frustration of contract is established to the satisfaction of the competent authority. "The minimum OTS amount recoverable shall be principle amount + 100% of simple interest (at effective document rate of interest) till the date of impossibility or frustration having been established. The OTS amount recoverable shall in no circumstances be less than 90% of realizable value of primary and collateral security available with the Corporation."

The settlement formula for cases covered under Annexure-A-II OTS guidelines for settling old and small loan cases i.e. small industrial loan involving principle loan amount upto 10.00 lakh will remain the same. Other terms & conditions of revised one time settlement guidelines of NPAs-2016 will remain the same.

All the officers/officials of the Corporation are directed to process the OTS cases in accordance with addition/amendment in revised OTS Guidelines for NPAs-2016 as per above.


Managing Director

Copy to :

1. Chief General Manager HPFC, Shimla.
2. General Manager HPFC, Shimla.
3. Manager (Unit-1) HPFC, Shimla.
4. Manager (Unit-1) HPFC, Shimla.
5. Law officer HPFC, Shimla.