

GOVERNMENT OF PUNJAB

DEPARTMENT OF INDUSTRIES AND COMMERCE
[Industries Branch]

Notification

The 10th December, 2009

No.15/3/09-AS:6/2116 – The Governor of Punjab is pleased to make following amendments in "One Time Settlement Scheme for Equity – PSIDC/PAIC-2009 and One Time Settlement Policy for loans – PSIDC/PAIC-2009" notified vide No.15/3/09-AS:6/391 dated 2.3.2009:-

ONE TIME SETTLEMENT POLICY FOR EQUITY – "PSIDC/PAIC 2009"

1. Clause 1 - Eligibility Criteria is amended as under:-

The collaborators/promoters of profit making companies as per Audited Balance Sheet as on 31st March, 2008 shall not be eligible.

A profit making company is one which is earning profits over different years and having Reserves & Surpluses appropriated from the Profit & Loss a/c as per audited Balance Sheet as on 31.3.2008.

2. Clause III(a) - Terms of Payment is amended as under:-

Receipt of Applications – Upto 31.12.2009. This OTS policy is closed. No applications will be entertained after the last date mentioned herein.

3. Clause V(1) - Other terms and conditions is amended as under:-

1. PDCs (quarterly basis).

It is clarified that the Promoter(s) shall be depositing PDCs for the balance amount with a proviso that the same would be replaced on or before due date by a Demand Draft/Pay Order. However, in the event of dishonouring of a cheque, it shall be obligatory on the part of the Promoter(s) to deposit the due amounts alongwith interest at the stipulated rate and liquidated damages @ 3% per annum to be calculated on the defaulted amount for the defaulted period failing which PSIDC/PAIC would be at liberty to take further necessary action u/s 138 of the Negotiable Instruments Act or as it may deem expedient in terms of the covenants of the undertaking for buyback/financial collaboration agreement.

2. Following Sub Clause is added at Sr. No.8 of Clause V:-

Under any circumstances, there will be no refund, if any excess payment has been received.

ONE TIME SETTLEMENT FOR LOANS -- "PSIDC/PAIC 2009".

1. Clause III(i, iv) - Terms of Payment are amended as under:-

- (i) **Receipt of Applications** – Upto 31.12.2009. This OTS policy is close-ended. No applications will be entertained after the last date mentioned herein.
- (iv) **Lump-sum payment** – Companies opting for lump-sum payment within 90 days of conveying of acceptance by PSIDC/PAIC, shall be eligible for rebate of 5% on the OTS amount. No interest shall be charged on the lump-sum payment provided it is made within 90 days of the date of acceptance of the proposal by PSIDC/PAIC. However, this option has to be exercised at the time of application.

It is clarified that OTS amount finally calculated after rebate etc. shall not in any case be less than the outstanding principal plus expenses.

2. Clause V(i, ii, vi) - Other terms and conditions are amended as under:-

- (i) **FDCs (quarterly basis).**

It is clarified that the loanee companies shall be depositing PDCs for the balance amount with a proviso that the same would be replaced on or before due date by a Demand Draft/Pay Order. However, in the event of dishonouring of a cheque, it shall be obligatory on the part of the Company to deposit the due amounts alongwith interest at the stipulated rate and liquidated damages @ 3% per annum to be calculated on the defaulted amount for the defaulting period failing which PSIDC/PAIC would be at liberty to take further necessary action u/s 138 of the Negotiable Instruments Act or as it may deem expedient in terms of the covenants of the Loan Agreement.

- (ii) **Multiple loans to be settled simultaneously.** However, where all the other secured/mortgaged assets of the loanee company as well as the secured/mortgaged assets have already been sold by the Corporation, a guarantor may be allowed to settle all such loans for which she/he is promoter/guarantor independently without linking the settlement to other loans availed by the company where she/he is not a promoter/guarantor. Provided such promoter/guarantor has no linkage by way of family relationship, joint property or business interest with any of the other promoters or guarantors. If tangible assets are available in the name of the guarantor, then OTS amount will be calculated with interest @ 12% in accordance with Clause II(d) of OTS Policy for loans of PSIDC/PAIC.

As regards the remaining loans, the other promoters/guarantors shall not be absolved of their obligations to the Corporation.

- (vi) The credit for amount deposited by companies with PSIDC/PAIC under previous OTS/settlement and lying in 'No Lien Account', shall be given from the date it was transferred to the Corporation's Bank account.

General condition:-

The benefit towards OTS amount will be given from the date of actual credit of amount in the account of Corporation.

Dated : 8.12.2009
Place : Chandigarh

S. S. CHANNY
Principal Secretary to Government of Punjab,
Department of Industries and Commerce