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Notification

No./ PAIC/Dis./2021/S20

Dated:- 27-4-2021

The Board of Directors of PAIC has vide its Circular Resolution no 01/2021 dated 22.04.2021 approved to extend the OTS Policy-2018 upto 30.09.2021. This notification and the policy document may be downloaded from the PAIC website.


MANAGING DIRECTOR

ONE TIME SETTLEMENT ("OTS") SCHEME – 2018 FOR PAIC AND ITS SUBSIDIARY COMPANIES

A. ONE TIME SETTLEMENT POLICY- 2018 FOR "EQUITY INVESTMENT PORTFOLIO"

I. Calculation of OTS amount in respect of the following categories

i)

- a) The Collaborators/Promoters of Loss Making Companies or companies where net worth has been eroded (**Based on audited Balance Sheet as on 31.03.2017**).
- b) The collaborators who had entered into a Financial Collaboration Agreement/Buy Back Undertaking with PAIC for setting up a project and the company promoted for setting up this project or Promoters who have availed the facility of Direct Subscription and that the said company in both cases had been declared sick by the Hon'ble BIFR and orders for change of management had been made and where the change of management had taken place, however, the liability of buy-back of equity investment of PAIC still remained with the original collaborators/Promoters.
- c) The collaborators/promoters who have failed to implement the project or start commercial production as envisaged in the Financial Collaboration Agreement, but had availed part or full equity contribution from PAIC.

OTS AMOUNT :- Outstanding amount of investment plus expenses in current account (CCA) with PAIC.

ii) **Profit making companies:**

"A Profit making company is a company which have positive reserves & surplus"(Based on audited Balance Sheet as on 31.03.2017)

Outstanding amount of investment Plus Simple interest @ 11% p.a. from the date of disbursement upto the cut off date (on reducing balance basis as was provided in the Equity OTS Policy 2003-04) less amount already paid plus expenses in current account (CCA).

II. Terms of Payment

- (a) **Receipt of Applications –upto 30.09.2021.** This OTS policy is close-ended. No applications will be entertained after the last date mentioned herein.
- (b) **Cut Off Date** – OTS amount will be calculated on cut off date fully described in **other terms & conditions** hereinafter.
- (c) **Interest to be charged on OTS amount** – Interest on OTS amount shall be charged @ **10%** per annum (compounded quarterly) for the period from the cut off date upto the date on which letter of acceptance of OTS is issued by PAIC.
- (d) **Lump-sum payment** – Collaborators/Promoters/Guarantors of the companies **opting for lump-sum payment** within 90 days of conveying of acceptance by PSIDC **shall be eligible for rebate of 5% on the interest portion of the OTS amount.** No interest shall be charged, in case lump-

sum payment is made within 90 days of the date of acceptance of the proposal by PSIDC. However, this option has to be exercised at the time of application.

- (e) **If the OTS payment is made beyond** a period of **90 days** in equated quarterly instalments, interest @ **10%** p.a., compounded quarterly, shall be charged from the date of acceptance upto the date of receipt of full & final payment.

III. **Payment Schedule**

- (a) Down payment of atleast **15%** of the tentative OTS amount, by way of Demand Draft alongwith application.
- (b) Atleast **30%** of OTS amount (***inclusive of the 'down payment of 15%' already received alongwith interest @ 10% p.a. from cut off date to the date of letter of OTS***) within a period of 30 days from the date of issuance of OTS acceptance letter by PSIDC.
- (c) **Balance 70%** of the OTS amount shall carry interest @ **10%** per annum (compounded quarterly) and payable **in eight equated quarterly instalments.**

IV. **Other Terms & Conditions**

- (i) Post dated Cheques (PDCs) on quarterly basis.
It is clarified that the Promoter(s)/Collaborator(s)/Guarantor(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)/Collaborator(s)/Guarantor(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 PAIC would be at liberty to take further necessary action, as it may deem expedient in terms of the covenants of the undertaking for buy back/financial collaboration agreement after considering the OTS as cancelled.

In case the default, as per the terms and conditions of OTS Policy, continues for more than six months then the OTS shall be cancelled without any notice and payment received under this OTS Policy shall be adjusted as per the as per the covenants of the Financial Collaboration Agreement/ buyback undertakings.

- (ii) Multiple equity investments to be settled simultaneously.
- (iii) Where a collaborator/promoter/guarantor does not come forward for OTS within 90 days of the notification of the Equity OTS Policy-2018 and if other Co-promoter(s)/Guarantor(s) offer to settle the dues under OTS, then final opportunity shall be granted to the Collaborator/guarantor(s) by way of Public Notice of 21 days to come forward for OTS. In the event, original collaborator/guarantor(s) still does not come forward for OTS, the other Co-promoter(s)/Guarantor(s) shall be allowed to opt for settlement under the Policy within next 15 days of the expiry of the final opportunity to the original collaborator. After receipt of the full & final payment of the OTS amount, shares issued towards equity investment, shall be transferred to the Co-

promoter(s)/Guarantor(s) opting for OTS. However, the pledged shares shall be released to the person(s) who have pledged the shares.

- (iv) Collaborators/Promoters of companies opting for OTS shall withdraw their Court cases filed, if any, either by the Collaborators and/or the Promoters and/or the Company. Similarly, the arbitration proceedings in progress in each of such a case where Collaborators/Promoters opt for OTS under this Policy shall remain abated during the repayment period of the OTS amount and upon receipt of full & final payment, the arbitration proceedings from either side i.e., whether by the Corporation or by the Collaborator shall stand dropped forthwith.
- (v) For the amount deposited by the Promoters/Collaborators and lying in 'No Lien Account' and which is acknowledged by PAIC, the credit shall be on the cut off date by deducting the same from the OTS amount worked out under the this OTS Policy. No benefit of interest shall be given lying in the 'No Lien Account'.
- (vi) Shares shall be transferred on receipt of entire payment as due under the OTS Policy.
- (vii) Under the policy, the **cut off date for applications received on or before 15th** of the month, will be the **last date** of the **preceding month** and the **cut off date for applications received from 16th onwards** till the last date of the month, will be **15th of that month**.
- (viii) The **OTS amount**, in any case, **shall not be less than outstanding principal** investment plus expenses in current account CCA.
- (ix) **There will be no refund of any excess amount, if so worked out under this OTS Policy.**