

PUNJAB AGRO INDUSTRIES CORPORATION LIMITED
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One Time Settlement Policy-2021

The Board of Directors of PAIC has approved to adopt the OTS Policy-2021 for equity portfolio, approved by CMM in its meeting held on 01.12.2021. The policy has been notified vide Notification dated 21.12.2021. The Notification and policy document are available on PAIC website: <https://punjabagro.gov.in>

Collaborators of joint/assisted sector companies interested to buyback equity investment of PAIC may apply in accordance with the terms of the policy before 20.03.2022.

Managing Director

R. Singh
21/12/2021

ONE TIME SETTLEMENT ("OTS") SCHEME- 2021 FOR PSIDC/PAIC

A. ONE TIME SETTLEMENT POLICY- 2021 FOR "EQUITY INVESTMENT PORTFOLIO"

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

- a) The Collaborators/Promoters of Loss-Making Companies or companies where net worth has been eroded. The company should be a loss making unit continuously for all the years following last OTS Policy announced/notified by the Government.
- b) The collaborators who had entered into a Financial Collaboration Agreement/Buy Back Undertaking with PSIDC/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 PSIDC 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 PSIDC.

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

"A profit-making company is one which is having positive Reserves & Surplus"

(Based on audited Balance Sheet as on 31.03.2020)

Outstanding amount of investment plus Simple interest @ 11% p.a. from the date of disbursement up to 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 – Within 90 days from the date of Notification.** 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 cutoff date fully described in **other terms & conditions** hereinafter.

- (c) **Interest to be charged on OTS amount** – Interest on OTS amount shall be charged @**8%** per annum (compounded quarterly) for the period from the cutoff date up to the date on which letter of acceptance of OTS is issued by PSIDC/PAIC.
- (d) **Lump-sum payment** –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/PAIC. 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 installments, interest @**8%** 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 at least **15%** of the tentative OTS amount, by way of Demand Draft along with application.
- b) At least **30%** of OTS amount (**inclusive of the 'down payment of 15%' already received along with interest @8% p.a. from cutoff 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/PAIC.
- (c) **Balance 70%** of the OTS amount shall carry interest @ **8%** per annum (compounded quarterly) and payable **in eight equated quarterly installments.**
- (d) For units forced closed by State Government – the total OTS amount shall be recovered in interest free quarterly installments within the overall period permissible under the OTS Policy.

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 dishonoring of a cheque, it shall be obligatory on the part of the Promoter(s)/Collaborator(s)/Guarantor(s) to deposit the due amounts along with 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 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 & conditions of the OTS Policy, continues for more than six months, then the OTS shall be cancelled without any notice and the payment received under this OTS Policy shall be adjusted as per the covenants of the Financial Collaboration Agreement/Buy back Undertaking.

- (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 after taking legal opinion.
- v) For the amount deposited by the Promoters/Collaborators and lying in 'No Lien Account' and which is acknowledged by PSIDC, the credit shall be given on the cutoff date by deducting the same from the OTS amount worked out under this OTS Policy. No benefit of interest will be given on the amount lying in the 'No Lien Account'.
- (vi) Shares shall be transferred on receipt of entire payment as due under the OTS Policy.
- (vii) Minimum CCA expenses would be payable.
- (viii) Under the policy, the **cutoff date for applications received on or before 15th** of the month, will be the **last date of the preceding month** and the **cutoff date for applications received from 16th onwards** till the last date of the month, will be **15th of that month**.
- (ix) **There will be no refund of any excess amount, if so worked out under this OTS Policy.**