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DELHI FINANCIAL CORPORATION (UNDER CLOSURE)

NEW DELHI

DFC/RCRKU/2026-2027/

Dated 08.10.2026

CIRCULAR/OTS-POLICY

SUB: One Time Settlement Scheme (OTS) FOR LOANS

The Government of NCT of Delhi has approved to the proposed rollout of the One Time Settlement (OTS) Scheme for resolution of NPA loan accounts of the Corporation.

OTS Framework

1. Coverage

a. Inclusion:

- NPA Loan Accounts (as on 31.03.2024).

b. Exclusion:

- Cases of willful default, fraud and malfeasance
- Cases involving prime and collateral security of land and building
- Loan accounts that are standard/regular and those where the Corporation has already taken physical possession of mortgaged immovable property (to be governed strictly as per the norms of the respective loan agreements).

2. Settlement formula for OTS Cases

Borrowers shall be required to repay the outstanding amount (Principal + Interest) as on the date of classification as NPA, along with simple interest @3% per annum from the date of NPA till payment of settlement amount, after adjusting any payments made subsequent to the NPA date for settlement of their liabilities.

The recoverable amount as calculated above would in no case be less than the principal outstanding as on the date of settlement.

3. OTS Payment Terms

- a. The OTS amount should normally be paid in one lump sum within a period of one month from the date of issue of OTS approval letter to the borrower unit/company.
- b. Where the borrower is not able to pay the OTS amount in one lump sum, an amount of 50% of the approved OTS amount would be payable as down payment and balance 50% amount would be paid within one month of the issue of the OTS approval letter.

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- c. Further where OTS amount is more than Rs. 20 Lakh and borrower is not able to pay in one lump sum, an amount of 10% of the OTS amount (Principal and Interest amount) would be payable as down payment and balance 90% OTS amount along with interest would be paid in 24 monthly instalments from the issue of OTS approval letter.
 - d. No refund shall be granted for payments already made in excess of the settlement amount under the scheme.

4. Accounting Procedure in OTS Scheme

- a. All amounts received towards OTS would be initially kept in the suspense account and reversed after the entire amount including interest, envisaged under OTS has been fully recovered as per the accounting procedure.
- b. The amount received under the OTS scheme will be adjusted in the loan account of the borrower and all other charges will be reversed. After the adjustment of the OTS amount the borrower loan will be processed for closure and issuance of NOC and settlement of loan account.

5. VALIDITY OF SCHEME

The OTS Scheme shall remain valid for a period of three (3) months from the date of its rollout.

6. Delegation of Powers

DGM (RCRKU) will be the competent authority to settle all cases and issue NOC under the OTS scheme.

7. Processing Fees

An amount of Rs. 200/- shall be payable by the borrower who intended to avail this OTS facility.

This issues with the approval of Competent Authority.


(Deputy Manager) 29/8/26

Recovery Cell, DFC (Under Closure)

New Delhi