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EC No. 17/DoS -06 /2023

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संदर्भ. सं. राबैं. प्रका. डॉस. पॉल/5686/जे-1/2022-23
Ref. No. NB. HO. DoS. Pol. / 5686/ J-1 / 2022-23

अध्यक्ष,
The Chairman,
सभी क्षेत्रीय ग्रामीण बैंक
All Regional Rural Banks

महोदया/महोदय,
Madam/Dear Sir

क्षेत्रीय ग्रामीण बैंकों (क्षेत्रीय बैंक) की अनर्जक आस्तियों (एनपीए) से संबंधित देय राशि की वसूली हेतु दिशानिर्देश

Guidelines for recovery of dues related to Non-Performing Assets (NPAs) of RRBs

कृपया दिनांक 20 जून 2001 को क्षेत्रीय ग्रामीण बैंकों (क्षेत्रीय बैंक) की अनर्जक आस्तियों (एनपीए) से संबंधित देय राशियों की वसूली हेतु दिशानिर्देशों पर जारी हमारे परिपत्र सं. राबैं. आईडीडी. आरआरसीबीडी. सं. /673/485-ओटीएस (आरआरबी) /2001-02 का संदर्भ ग्रहण करें. परिपत्र के अनुसार क्षेत्रीय ग्रामीण बैंकों को, एक बारगी निपटान के माध्यम से एनपीए की वसूली हेतु एक सरल, नॉन-डिस्क्रिशनरी और पक्षपात रहित तंत्र की शुरुवात करने के लिए सूचित किया गया है. तदनुसार, सभी क्षेत्रीय बैंकों द्वारा समान रूप से कार्यान्वयन के लिए उधारकर्ताओं की सभी श्रेणियों में वर्तमान एनपीए के स्तर को कम करने के लिए आरबीआई के परामर्श से दिशानिर्देश जारी	Please refer to our circular no. NB.IDD. RRCBD. No./673/485-OTS (RRBs)/2001-02 dated 20 June 2001 on guidelines for recovery of dues relating to NPAs of RRBs. As per the circular, RRBs were advised to introduce a simplified non-discretionary and non-discriminatory mechanism for recovery of NPAs in RRBs by way of One-Time Settlement. Accordingly, guidelines were issued in consultation with RBI to reduce the level of existing NPAs in all categories of borrowers for implementation by all RRBs uniformly. It was also advised therewith that the guidelines will not
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राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

पर्यवेक्षण विभाग

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किए गए थे. इसके अलावा यह भी सूचित किया गया था कि दिशानिर्देशों में जानबूझ कर चूक करने, धोखाधड़ी और अपराध जैसे मामलों को शामिल नहीं किया जाएगा. ऐसे मामलों को क्षेत्रीय बैंक चिन्हित करें तथा उनके खिलाफ तुरंत अलग से कार्रवाई शुरू करें.

2. छोटे उधारकर्ताओं के खातों के लिए एक बारगी निपटान और नए ऋण हेतु पात्रता पर दिनांक 27 दिसंबर 2005 के भारतीय रिज़र्व बैंक (आरबीआई) के परिपत्र सं. आरपीसीडी. पीएलएनएफएस. बीसी. सं. 56/06.02.31/2005-06 के अनुसार, क्षेत्रीय बैंकों को ऋणों के एक बारगी निपटान के लिए एक सरल तंत्र तैयार करने के लिए सूचित किया गया है जहां मूलधन राशि रु. 25000/- के बराबर अथवा उससे कम हो और जो कि 30 सितंबर 2005 को संदिग्ध तथा हानिवाली आस्तियां बन गई हों. सरकार द्वारा प्रायोजित योजनाओं के अंतर्गत दिए गए ऋणों के मामले में, बैंकों को यह सूचित किया गया था कि वे एसएलबीसी द्वारा तैयार किए जाने वाले राज्य विशिष्ट दृष्टिकोण का अनुसरण करते हुए एक पृथक दिशानिर्देश तैयार करें. परिपत्र के अनुसार, जिन उधारकर्ताओं की बकाया राशि का भुगतान किया गया है, वे नए ऋणों के लिए पूरी तरह पात्र होंगे.

3. अतः, हम आपको पुनः सूचित करते हैं कि एक बारगी निपटान (ओटीएस) के माध्यम से अनर्जक आस्तियों (एनपीए) से संबंधित देय राशियों की वसूली के लिए और भविष्य के लिए ऋण वितरण और वसूली तंत्र को सुदृढ़ बनाने हेतु, उपरोक्त परिपत्रों के अनुसार नाबार्ड और आरबीआई के दिशानिर्देशों का सख्त कार्यान्वयन सुनिश्चित करें. किसी भी क्षेत्रीय बैंक को ऋण वसूली के सभी विकल्प समाप्त हो जाने के बाद ही समझौता, ओटीएस आदि का विकल्प चुनना चाहिए. आगे, इस तरह

cover cases of wilful default, fraud, and malfeasance. The RRBs should identify such cases and initiate prompt action against them separately.

2. As per RBI circular no. RPCD.PLNFS.BC.No.56/06.02.31/2005-06 dated 27 December 2005 on One-Time Settlement for small borrowers' accounts and eligibility for fresh loans, RRBs were advised to formulate a simplified mechanism for OTS of loans where the principal amount is equal to or less than Rs. 25000/- and which have become doubtful and loss assets as on 30 September 2005. In the case of loans granted under government-sponsored schemes, banks were advised to frame separate guidelines following a state-specific approach to be evolved by the SLBC. As per the circular, the borrowers whose accounts were settled under this mechanism would be fully eligible for fresh loans.

3. We, therefore, once again advise you to ensure strict implementation of the guidelines of NABARD and RBI as per above mentioned circulars, for recovering the dues related to non-performing assets (NPAs) through One Time Settlement (OTS) and strengthen the loan delivery and recovery system for future. Any RRB should take recourse to compromise, OTS, etc. only after

<p>के लेन-देन बैंक के सर्वोत्तम हित में होने चाहिए तथा न तो बैंक को कोई नुकसान पहुंचना चाहिए न ही जानबूझ कर चूक करने वालों को कोई लाभ मिलना चाहिए.</p> <p>4. कृपया इस परिपत्र की पावती हमारे संबन्धित क्षेत्रीय कार्यालय को दें.</p> <p>भवदीय</p> <p>हस्ता./- (डी के गवली) महाप्रबंधक</p> <p>संलग्नक: यथोक्त</p>	<p>exhausting all avenues for recovery of the loan. Further, such a transaction should be in the best interest of the bank and should neither cause any loss to the bank nor result in any benefit to wilful defaulters.</p> <p>4. Please acknowledge the receipt of this circular to our Regional Office concerned.</p> <p>Yours faithfully</p> <p>Sd/- (D K Gawali) General Manager</p> <p>Encls: as above</p>
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CONFIDENTIAL

Ref.No.NB.JDD.RRCBD.No./673/485-OTS(RRBs)/2001--02

20June.2001

The Channan,
All Regional Rural Banks

Dear Sir,

**Guidelines for recovery of dues relating to
Non-Performing Assets (NPAs) of RRBs**

You are aware that the RRBs have been set up since 1975 to provide institutional credit facilities primarily to the weaker sections of the society in the rural areas. However, it has been observed from the financial data pertaining to the RRBs that the management of NPA position requires a critical examination and evaluation. It is observed that the gross NPA level of RRBs, as a whole accounts for 23.07% of gross advances as on 31 March 2000. The recovery position of the RRBs is also not very encouraging as the recovery to demand accounted for only 64.09% as on 31st March 2000. Although the recovery position as well as NPA level show an improvement during the past few years the management of NPA has become a critical factor in determining the performance of these banks as it has important implications on their profitability. A need is, therefore, felt to introduce a simplified non-discretionary and non-discriminatory mechanism for recovery of NPAs in RRBs by way of one-time-settlement. Accordingly, the following guidelines are being issued in consultation with RBI to reduce the level of existing NPAs in all categories of borrowers. All RRBs should uniformly implement these guidelines so that maximum realisation of dues is achieved from the stock of NPAs within the stipulated time.

2. The guidelines will not, however, cover cases of wilful default, fraud and malfeasance. The RRBs should identify cases of this nature and initiate prompt action against them separately.
3. The guidelines for recovery of NPAs under a simplified non-discretionary and non-discriminatory mechanism are given below.

1

(A) Guidelines for recovery of NPAs upto 31.03.1998

(i) Coverage

- a) The guidelines will cover all NPAs in all sectors irrespective of the nature of business/activity which have become doubtful or loss as on 31 March 1998 with outstanding balance upto Rs. 5.00 lakh
- b) The guidelines will also cover NPAs classified as sub-standard as on 31 March 1998, which have subsequently become doubtful or loss category.
- c) These guidelines will also cover cases pending before Courts subject to consent decree being obtained from the Courts.
- d) Cases of wilful default, fraud and malfeasance will not be covered.
- e) The guidelines will remain operative only upto 31 March 2002. Applications may be received upto 31.03.2002 and disposed of latest by 30.06.2002.

ii) Settlement Formula• Amount and Cut off date

a) NPAs classified as Doubtful or Loss as on 31 March 1998

The minimum amount that should be recovered under the guidelines in respect of compromise settlement of NPAs classified as doubtful or loss as on 31 March 1998 would be 100% of the outstanding balance in the account as on the date of transfer to the protested bills account or the amount outstanding as on the date on which the account was categorised as doubtful NPAs, whichever happened earlier, as the case may be.

b) NPAs classified as Sub-Standard as on 31 March 1998 which became doubtful or loss subsequently.

The minimum amount that should be recovered in respect of NPAs classified as Sub-standard as on 31 March 1998 which became doubtful or loss subsequently would be 100% of the outstanding balance to the account as on the date of transfer to the protested bills account or the amount as on the date on which the account was categorised as doubtful NPAs, whichever happened earlier as the case may be, plus interest at existing Best Borrowal Account Rate (i.e. the minimum lending rate charged by the RRB on their Commercial loans) from 1 April 1998 till the date of final payment.

(iii) **Payment**

The amount of settlement arrived at in both the above cases, should preferably be paid in one lump sum. In cases where the borrowers are unable to pay the entire amount in one lump sum, at least 25% of the amount of settlement should be paid upfront and the balance amount of 75% should be recovered in installments within a period of one year together with interest at the existing Best Borrowal Account Rate from the date of settlement upto the date of final payment.

(iv) **Sanctioning Authority**

The decision on the compromise settlement and consequent sanction of waiver or remission or write-off should be taken by the competent authority under powers delegated by the Board of Directors in consultation with their sponsor banks.

(v) **Non-discretionary Treatment**

The banks should follow the above guidelines for compromise settlement of all NPAs without discrimination and a monthly report on the progress and details of settlements should be submitted by the concerned authority to the Chairman at their Head Office. Banks should give notice by 31.07.2001 to the eligible defaulting borrowers to avail of the opportunity for one-time-settlement of their outstanding dues in terms of these guidelines. Adequate publicity through various means to these guidelines must be ensured.

(vi) **Reporting to the Board**

The banks should submit a report on the progress in the recovery of NPAs under these guidelines every quarter to the Board of Directors. A copy of the quarterly progress report should also be sent to NABARD and the concerned Regional Office of the Reserve Bank of India through their sponsor banks.

(B) Guidelines for Recovery of NPAs over Rs. 5.00 lakh

- (i) The Chairman should personally supervise the NPAs of over Rs. 5.00 lakh on case-to-case basis. A list of such NPAs should be prepared and all cases reviewed by the Chairman and the course of action decided in terms of the one-time-settlement or filing of suits by 30.06.2002. The matter should be placed before the Board of Directors, finalising the course of action by 31.07.2002 in each such case.
- (ii) The Board of Directors may evolve policy guidelines in consultation with their sponsor bank regarding one-time-settlement of NPAs over Rs. 5.00 lakh covering computation formula, realisable amount, cut off date and payment conditions with reference to factors of security and disposability etc. as part of its loan recovery policy including setting up of Settlement Advisory Committee, staff accountability and other relevant aspects and decide individual cases in accordance with such policy. A copy of such policy should also be sent to NABARD and concerned Regional Office of RBI.
- (iii) Wherever a suit is required to be filed against the defaulters who have not come up for one-time-settlement, or where restructuring is not feasible, suits must be filed in all such cases by 31.07.2002. Banks should follow up suit filed cases vigorously and effectively in the Courts. A quarterly report in regard to outstanding NPAs of above Rs. 5.00 lakh should also be sent to NABARD and the concerned Regional Office of RBI.

RRBs may approach their sponsor banks for clarification, if any, required on the guidelines. Any change in the settlement guidelines should be made only by the Board of Directors of RRB.

4. Please acknowledge receipt.

Yours faithfully,

Sd/-

(S. Subramanian)

Chief General Manager

December 27, 2005

The Chairman/ Managing Director
All Scheduled Commercial Banks
(Including RRBs & LABs)

Dear Sir,

One-Time Settlement Scheme for Small Borrowal Accounts and Eligibility for Fresh Loans

In order to offer small borrowers an opportunity to settle their NPA accounts with banks and become eligible for fresh finance, all scheduled commercial banks (including Regional Rural Banks and Local Area Banks) are advised to provide a simplified mechanism for one-time settlement of loans where the principal amount is equal to or less than Rs.25000/- and which have become doubtful and loss assets as on September 30, 2005.

2. In case of loans granted under government-sponsored schemes, banks may frame separate guidelines following a state-specific approach to be evolved by the SLBC.
3. The mechanism will not, however, cover cases of fraud and malfeasance.
4. The borrowers whose accounts are settled under this mechanism will be fully eligible for fresh loans.
5. Banks may devise an appropriate scheme/s and initiate measures to implement the same.
6. Please acknowledge receipt.

Yours faithfully,

(G.Srinivasan)
Chief General Manager