

कार्य का दायरा/Scope of Work:

1. Obligations of Recovery Agents: Taking steps under SARFAESI Act/ Resolution Professionals under IBC Code 2016

1.1 Eligible accounts to be entrusted to RAs

Only Non-Performing Accounts (NPAs) and Witten off Accounts shall be entrusted to RAs for Recovery.

1.2 Negative List

Services of Recovery Agents will not be engaged for the following activities

- a) Restructuring / rehabilitation including merger & acquisition;
- b) Compromise Settlements;
- c) Recoveries coming through official liquidator.

1.3 Deliverables by Recovery Agents

Recovery Agents will be required to recover the Bank's dues from the borrower through the following means:

- a) Follow up with Borrower (s)/ Guarantor(s) for recovery of bank's dues;
- b) Collecting details of the securities available /registered under CERSAI and /or personal properties of the Borrower(s) / Guarantor(s), valuation of the same, seizure/possession under SARFAESI and/or securitisation and finally sale of the same for recovery of dues;
- c) Arranging for marketing Bank's scheme for compromise with the Borrower(s) / Guarantor(s).
- d) Such other means as the RA may decide in consultation with the Bank in writing, for recovery of NPAS.

1.4 Security Enforcement Services in compliance with the SARFAESI Act

- a) Assist in taking possession of moveable and immoveable properties, as an agent of the Authorised Officer, in full compliance with the procedure laid down under the Rules of SARFAESI Act.
- b) Follow up with Borrower(s) / Guarantor(s) for recovery of Bank's dues.
- c) Assist Bank in preparing the Panchnama, inventory of the property, etc., as per procedure and forms prescribed;
- d) Arrange on behalf of Bank, for storage, maintenance, preservation and locking up arrangement, as appropriate, of the movable / fixed / immovable assets so taken over;
- e) Arrange on behalf of Bank, for security, insurance, and / or any other action required to ensure safety of all the assets taken over;

- f) Assist Bank in sending notices to debtors of the borrower;
- g) Assist Bank in arranging for the valuation as per approved procedure;
- h) Assist Bank in arranging for sale of assets as per any of the modes prescribed;
- i) Assist Bank in receipt of sale proceeds, issue of sale certificate and all other necessary formalities prescribed under the SARFAESI Act.

1.5 It shall be ensured that recovery amounts are directly deposited into the bank account of borrowers and Recovery Agent shall not be allowed to handle cash/cheque

1.6 Intimation to Recovery Agents

The information regarding empanelment of Recovery Agents will be informed by the bank in due course.

1.7 Initial period of Assignment

The assignment will initially be for a period of two year from the date of agreement. However, the Bank will have the discretion to withdraw the cases at any point of time in case of unsatisfactory progress or any adverse report.

1.8 Extension of period of Assignment

Any extension in period of assignment beyond two years can also be recommended by the Bank subject to the approval of competent authority.

1.9 Recovery Agents may be assigned the entire job pertaining to one account from the stage of pre inspection to final recovery. The services of recovery agents may be taken for particular job such as Pre inspection and preparation of viability report, Assistance in taking actual possession, obtaining order of CMM/District Magistrate and /or safeguarding the secured assets by appointing security guards etc. on payment of charges.

2. Commission/ Remuneration:

2.1 Commission shall be paid at negotiated rates subject to maximum commission based on amount recovered and age of NPAs as under:

Sl. No.	Category of NPA	NPA having Ledger Balance less than ₹ 25 lakh	NPA having Ledger Balance more than ₹25 lakh
1.	Appointed for recovery under SARFAESI Act	3%	2%
2.	Other than Agents appointed for recovery under SARFAESI Act	7%	5%

2.2 Charges payable to Debt Recovery Agents appointed for recovery under SARFAESI Act

Sl. No.	Type of Services	Outer Limit for charges Payable
1.	Intensive pre take over inspection and preparation of detailed viability report	10,000/-
2.	Assistance in taking symbolic possession of secured assets and for preparing Panchnama and inventory	5,000/-
3.	For obtaining orders from CMM/DM and to assists Authorised Officer for taking physical possession	10,000/-
4.	Assistance in taking physical possession of secured assets and preparing Panchnama and inventory without the help of CMM/DM	15,000/-
5.	Safeguarding the secured assets by appointing security guards and/or for safe keeping in the warehouse/godown	Recovery Cell at RO with approval of CGM/OIC on case-to-case basis depending on area where the services of security guards are to be used.
6.	Valuation of secured assets and/or Publication of notice in newspaper	Recovery Cell at RO with approval of CGM/OIC on actual cost basis preferably by obtaining 3 quotes.

2.3 It shall be ensured that whenever a bunch of cases is entrusted to an agent, fees payable is negotiated at reasonable levels on a lump sum basis rather than on a per case' basis. However, bunching of cases shall be done separately for accounts falling under the same age brackets as indicated in above table, for such negotiation.

2.4 Fees shall be fixed at the time of assignment of cases, based on efforts and cost involved, with a reasonable return to the Agencies. Payment of fees shall be paid once the amounts will be recovered.

2.5 GST/ TDS on Services Procured by the Bank: applicable GST/ TDS shall be made applicable as per the procedure and practices in vogue on the payments made to the agents of taxable services by the Bank.

3. Terms and Conditions:

3.1 Methods followed by Recovery Agents

Recovery Agent shall ensure that the instruction issued by RBI vide its circular DBOD.Leg.No.BC.104/ 09.07.007 /2002-03 dated May 5, 2003 as per details given in the annexure -V and guidelines on outsourcing of financial services issued vide Circular DBOD.No.BP. 40/21.04.158/ 2006-07 dated November 3, 2006 and the guidelines as per para 6 of BCSBI Code shall be adhere/complied.

3.2 Training for Recovery Agents

Recovery Agents have completed Certificate course for Direct Recovery Agents with minimum of 100 hours of training from IIBF and handle with care and sensitivity, their responsibilities, in particular aspects like hours of calling, privacy of customer information etc., a certificate in this regard shall be submitted by the RA.

3.3 Further, the service providers engaged by bank as Recovery Agent should also employ only such personnel who have undergone the above training and obtained the certificate from the IIBF.

4. Taking the possession of the Properties

4.1 Taking possession of property mortgaged / hypothecated to Bank

While taking possession of property already mortgaged/hypothecated to a bank, Recovery Cell shall ensure that procedure defined for enforcing security interest and for auctioning the movable and immovable property after enforcing the security interest extant guidelines under SARFAESI Act 2002 and the Security Interest (Enforcement) Rules, 2002 shall be adhered to;

4.2 If a re possession clause is incorporated in the contract with the borrower and rely on such re possession clause for enforcing their rights, it should be ensured that the repossession clause is legally valid, complies with the provisions of the Indian Contract Act 1872 in letter and spirit, and ensure that such repossession clause is clearly brought to the notice of the borrower at the time of execution of the contract.

4.3 The terms and conditions of the contract should contain provisions regarding

- (a) Notice period before taking possession
- (b) Circumstances under which the notice period can be waived
- (c) Procedure for taking possession of the security
- (d) Provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property
- (e) Procedure for giving repossession to the borrower and
- (f) Procedure for sale / auction of the property.

5. Complaints against the Bank/ its Recovery Agents

Recovery Agents may perform their duties for Bank, the agent shall strictly adhere to the guidelines and instructions issued by Bank and RBI from time to time. RA shall also ensure the compliances of BCSBI Code, while taking the steps for recovery.

5.1 In case, Complaint/s received by Reserve Bank of India regarding violation of the above guidelines and adoption of abusive practices followed by the Banks' recovery agents would be liable to be viewed seriously.

5.2 Recovery Agents shall ensure that they do not induce adoption of uncivilized, unlawful and questionable behaviour or recovery process such as resort to undue harassment, use of muscle power etc. for recovery of loans for getting high incentives.

5.3 Bank shall immediately take the action against the Recovery Agent, if found any breach and violation of the terms and conditions at any time.

5.4 Execution of Recovery Agent Agreement

An agreement shall be executed between the Bank and the RA as per the format given in annexure-VI.

5.6 Review and Monitoring

The Recovery Agents will submit progress report every month. Performance of Recovery Agents will be reviewed and monitored by the head office/Regional office of the Bank on a monthly basis and in case of any issues, the matter shall be escalated.

5.7 Placement of names of Recovery Agents on Bank's website

The names of the empanelled Recovery Agents will be published on the Bank's website and updated from time to time.

6. Payment of Bills of Recovery Agents

The Bills will be approved for payment as per the Bank's extant Policy on Review of Delegation of Sanctioning & Disbursement Powers - Refinance, Direct Finance, Grants Based Products and Costs related to Stressed Assets Management.

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