

From

Registrar,
Cooperative Societies, Haryana,
Panchkula.

To

1. The Managing Director, The Haryana State Cooperative Apex Bank Ltd., Chandigarh.
2. The Chief Auditor in Head Office.
3. All Deputy Registrar, Cooperative Societies in the State of Haryana.
4. All Assistant Registrar, Cooperative Societies in the State of Haryana.
5. All Audit Officers, Cooperative Societies in the State of Haryana.
6. All the CEO's of District Central Cooperative Bank Ltd. in the State of Haryana.
7. Deputy Registrar (B&P), Cooperative Societies in Head Office.

Memo No.: 3/10/OTS-2016/C-5/ 8650-8718

Dated: 28/6/16

Subject: Regarding Scheme for One Time Settlement (OTS) of Chronic NPAs/Overdues in DCCB's -2016

Please refer on the subject cited above.

In this regard, it is intimated that the State Government has accorded the approval vide dairy No. (files)/17867 dated 16.05.2016 of Scheme for One Time Settlement (OTS) of Chronic NPAs/ Overdues in DCCB's -2016 which is as under:

**Regarding Scheme for One Time Settlement (OTS) of
Chronic PAs/Overdues in DCCB's -2016**

1. **Introduction** :- Overdues/NPAs of DCCB have an increasing trend and also involve substantial amount of loan in absolute term requiring provisioning affecting profitability of the Bank. With a view to minimize overdues/NPAs of the Bank and to provide opportunities to the borrowers of the DCCB, who have not been able to repay their dues for reasons beyond their control, One Time Settlement scheme has been prepared to provide relief to them to clear their overdues.

Short title and commencement :-

- (i) The Scheme shall be called “**Scheme for One Time Settlement (OTS) of Chronic NPAs/Overdues in District Central Cooperative Banks - 2016 Scheme**”.
- (ii) The Scheme shall come into force from the date of approval by the Registrar, Cooperative Societies, Haryana, Panchkula.

Definition:- In this Scheme unless the context otherwise requires;

- a) “Act” means, The Haryana Cooperative Societies Act, 1984 as amended from time to time.
- b) “Rule” means the Haryana State Cooperative Societies Rules, 1989
- c) “Bye laws” means the Registered Bye laws of the District Central Coop. Bank.
- d) “Bank” means District Central Coop. Bank registered under the Act.
- e) “Government” means Government of Haryana.
- f) “Registrar” means a person appointed to perform the function of the Registrar, Cooperative Societies under the Act.
- g) “Scheme” means “Scheme for One Time Settlement (OTS) of Chronic NPAs/Overdues in District Central Cooperative Banks 2016”.

2. Coverage

- (i) NPAs of DCCB in all sectors except land purchase loans, Urban housing loans, loan advanced to employees of State/Central Government, Boards & Corporations, Banks, Institutions, Societies etc. which were doubtful or loss assets as on 31st March 2015.
- (ii) Cases of wilful default, frauds and malfeasance, loans with tie-up arrangement for recovery (e.g. salary earners societies, loans availed of and guaranteed by Directors of DCCB, loans guaranteed by Govt. (including cases where Govt. guarantee had been invoked but not honored by the Govt.), loans due from Departments/Undertakings, will not be covered.

- (iii) The Scheme will cover cases where the Bank has initiated action under the Haryana State Cooperative Society Act, 1984 as amended from time to time, legal action in any court of law, arbitration proceedings and SARFESAI Act.
 - (iv) This Scheme will cover cases where attachment proceedings have been initiated or attachment orders have been passed or decree has been awarded.
 - (v) The Scheme will also cover cases where insolvency proceedings have been initiated.
 - (vi) The Scheme will also cover cases where under previous OTS Schemes, the defaulter borrower has failed to meet his part of obligations and as such proceedings have again been initiated against him to recover the dues.
3. **Cut-off levels in the NPAs/overdues accounts identified as per Para 2 (i) above.**

Outstanding balance will not exceed Rs.50.00 lacs per individual borrower and Rs.10.00 crore per institutional borrower under all loan accounts specified under Para 2(i) above. The outstanding balance for the above purpose/category would cover principal and normal interest due as on 31st March 2015.

4. **Settlement formula :-**

NPAs classified as doubtful or loss assets as on 31st March,2015

Minimum amount to be recovered :- 100 per cent of the outstanding balance in the account inclusive of normal interest as on the date on which the account was categorised as doubtful NPAs plus interest @ 10% thereafter till the date of final payment.

5. **Penal interest, other charges and payment of settlement amount.**

- i) Penal interest, legal charges and other charges, if any, will be waived off.
- (ii) Amount of settlement arrived at as above, will be recovered in lump sum. In cases where the borrowers are unable to pay the entire amount in lump sum, at least 50% of the amount of settlement will be recovered upfront and the balance amount of 50% will be recovered within a maximum period of one

6. Competent Authority


- (i) The scheme will be approved by the Board of the DCCB and Registrar of Cooperative Societies, Haryana.
- (ii) The Scheme will be non-discretionary and non-discriminatory.
- (iii) The powers to sanction waiver/remission of interest, other charges and to take all related decisions will be delegated by the Board of the DCCB to a Sub Committee comprising of Chairman, CEO/GM of the Bank and two Directors of Board of DCCB out of which one shall be Government nominee.

7. Operative period of the Scheme

The Scheme will remain operative upto 31.12.2016. The applications received for OTS upto 31.12.2016 will be processed and decisions taken thereon at the earliest but not later than 28.02.2017.

DCCB may give wide publicity to the Scheme and create an awareness among borrowers so as to achieve its objective viz. sizeable reduction in NPAs in a transparent manner through recovery of chronic NPAs.


The 100% loss on account of settlement will be booked in the books of account by the Bank.


REGISTRAR
Co-operative Societies, Haryana,
Panchkula.

Endst. No. 3/10/OTS-2016/C-5/

dated :-

A copy of the above is forwarded to the Additional Chief Secretary to Government Haryana, Cooperation Department, Chandigarh for information.


REGISTRAR
Co-operative Societies, Haryana,
Panchkula.

FROM
Registrar,
Co-operative Societies,
Haryana, Panchkula.

To

o/c Managing Director,
The Haryana State Co-operative Apex Bank Ltd.,
Chandigarh.

Memo No.:KC./03/10/2013-15& 16/C-5/1541

Dated: 14-2-17

Subject: - Approval for Scheme for One Time Settlement (OTS) of Chronic NPA's/Overdues in DCCB's 2016- extension thereof.

Reference: -In reference to your CFMS No. 105 dt. 17.01.2017 & 'FR' (by e-mail) dt. 18.01.2017.

In this regard, it is informed that Government has accorded approval for extending the One Time Settlement (OTS) of Chronic NPA's/Overdues in DCCB's 2016 up to 31.12.2017 with the following amendment in point no. 5(ii), as requested by your vide above referred letters:-

5. Penal interest, other charges and payment of settlement amount.

(i) Penal interest, legal charges and other charges, if any, will be waived off.

EXISTING	AMENDED
(ii) Amount of settlement arrived at as above, will be recovered in lump sum. In cases where the borrowers are unable to pay the entire amount in lump sum, at least 50% of the amount of settlement will be recovered upfront and the balance amount of 50% will be recovered within a maximum period of one year together with interest at minimum rate i.e. 10% p.a. from the date of settlement upto the date of final payment.	(ii) Amount of settlement arrived at as above, will be recovered in lump sum. In cases where the borrowers are unable to pay the entire amount in lump sum, at least 25% of the amount of settlement will be recovered upfront and the balance amount of 75% will be recovered within a maximum period of one year together with interest at minimum rate i.e. 10% p.a. from the date of settlement upto the date of final payment.

o/c 
Joint Registrar (Credit)