

Policy on Engagement of Retired Bank (PGB) Employees as Resolution Officer

1. Background

Our Bank has adopted various mechanisms like restructuring, reschedulement, corporate debt restructuring, legal recourses, OTS, etc. for resolution of NPAs.

In order to give impetus to the process of recoveries and overcome the difficulties being faced in the field and to provide them support, it was considered expedient for the Bank to appoint Resolution Officers to effect recovery in NPAs on commission basis.

1.1 Scope

The Policy covers aspects related to Retired Bank (PGB) Employees (***may be designated as Resolution Officer (ex PGB Employees)***):

2. Eligibility Criteria for empanelment of Resolution Officer- PGB Retired Employees

Honorably retired Bank employees (including Voluntarily Retired Employees).

Keeping in view the high standards under the norms of Corporate Governance, following terms and conditions will be applicable, while engaging PGB retired employees as Resolution Officer on behalf of the Bank:

Condition-1

PGB retired employees who have worked in the **last 5 years of their service** in the **Recovery Division/ Recovery Sections at Head Office or Regional Office**, there will be a **cooling period of 2 years** between the **retirement date** of the PGB retired employees and **date of their engagement as Resolution Officer**. This condition is not applicable to other officers/ employees who have not worked in Recovery Division/ Recovery Sections at Head Office or Regional Office.

Condition-2

There will be no bar on Maximum age of the PGB **retired employees**, working as Resolution Officer of the Bank, however, after attaining the **age of 65 years**, performance of the PGB retired employee will be reviewed by the Regional Manager and on finding the same as satisfactory, the tenure of engagement may be extended for further 2 years.

3. Invitation of Applications/Empanelment/Execution of Documents /Agreements

Invitation of applications - HRD and/or Recovery Division of concerned Regional Office shall invite applications from the honorably retired Bank employees (including Voluntarily Retired Employees).

Role of Regional Office – Regional Manager shall refer & recommend the empanelment of Resolution Officer to General Manager (SAMD, HO) for approval.

Committee at Head Office – The applications for empanelment of Resolution Officers recommended by Regional Manager will be put up to the committee at Head Office for approval, comprising of following members:

Committee at Head Office

Functional Manager (SAMD)
Functional Manager (HRD)
General Manager (SAMD)

Maximum up to **5 Resolution Officers** can be empanelled **per district** under captioned policy. This panel of empanelled Resolution Officers shall be circulated to Regional Offices for the utilization of their services for resolution of non performing accounts under the scheme.

The Resolution Officer shall execute a **Non- Disclosure Agreement** as per **Annexure- 4** and also an **Agreement containing the Terms & Conditions** of PGB including indemnity clause as per **Annexure- 1**.

While empanelling the retired employees as Resolution Officer, **Regional Manager** will sign the documents on behalf of the Bank at **Regional Office and** original set of documents will be retained at the Regional Office and copy of the documents may be sent to **Head Office**.

3.1 Utilization of services out of the geographical jurisdiction

If reputed Resolution Officers have good track of effecting recoveries in the NPA accounts in the area but is empanelled in another region, the **services of such Officers may be availed for that area after prior permission from the concerned Regional Manager (under whose region the said Officer is already empanelled)**.

However, in such cases **it is essential that the other Regional Office (who had not engaged the Resolution Officer, originally) also gets the prescribed Agreement/ Documents signed from that Resolution Officer. These Agreements/ Documents must be kept in records by the Regional Office, to avoid any disputes/ complications at a later stage.**

In case the agreement is terminated by any Region/ Regional Offices or Head Office, the concerned Regions or the Head Office shall also convey to other Regions the reasons for termination of agreement for further examining if they will want to continue the services or otherwise.

4. Eligibility of accounts for allotment to Resolution Officers

Following are the eligibility criteria for allocation of accounts to PGB Retired employees as Resolution Officer:

- (i) NPA accounts categorized as **Doubtful / Loss** whether non suit filed, suit filed or decreed accounts shall be covered under the Scheme.
- (ii) A financial asset in which any case is pending before a Court / DRT / BIFR / Action under SARFAESI may also be considered for allocation under the Scheme.
- (iii) The financial assets where non funded facilities are yet to be crystallized are not to be allocated.
- (iv) **In case of written off accounts, outstanding balance at the time of write off, shall be taken as Notional outstanding.**

4.1 Identification & Allocation of accounts-Delegation of Powers

Regional Manager shall identify the accounts for allocation to Resolution Officers and shall ensure that adequate number of accounts with proper mix are given to the Resolution Officers, so that they can make sincere efforts with keen interest, for resolution of NPAs and the assignment to them also becomes commercially viable and becomes win win situation.

Powers of approval for allocation of identified accounts to the Resolution Officers shall be vested with **Regional Manager**. **However**, if Retired PGB employee, empanelled as Resolution Officer is from **Clerical Cadre**, **maximum** balance outstanding (aggregate) of the account to be allocated to him should be **not more than Rs. 5 lac**.

Regional Office will maintain proper record of accounts allocated to various Resolution Officers.

4.2 **Criteria for allocation of accounts shall be subject to the condition that retired employees be not given such accounts for resolution which they handled while in service i.e. the accounts which were either sanctioned by them or their operations were handled by them during their stay in that particular branch.**

4.3 **It must be ensured that all connected NPA accounts of a particular borrower are allotted to the same Resolution Officer. Regional Office/ Branch must ensure that information in respect of the connected accounts, if any, be brought to the notice of the Resolution Officers, at the time of allocation of accounts.**

4.4 Before entrusting the NPAs on stand-alone basis or **portfolio basis**, accounts allocated to Recovery Officer, if any shall be withdrawn so as to ensure that one account is not entrusted to two Resolution Officers.

5. **Limit for number of Accounts to be allocated to the Resolution Officers**

A Resolution Officer shall be allocated **maximum 25 accounts (preferably in same district)** and based on their performance. Number of accounts may be increased by the Allocating Authority subject to the performance of the Resolution Officer.

However, copy of the Job Card duly verified by Regional Manager must be sent to HO, within 7 days of date of allocation for each account allocated to Resolution Officer.

6. **Period for resolution of accounts and Withdrawal of accounts**

Maximum period for resolution of allocated accounts shall be **12 months** if Resolution Officer fails, accounts will be taken back. However, same can be extended up to **24 months by Regional Manager** on merits of the case, keeping in view the steps taken by the Resolution Officer for recovery.

Important

At the time of withdrawal of allotted accounts to a Resolution Officer, a Withdrawal Notice must be invariably sent to the Resolution Officer and it must be kept in the records of the Regional Office/ Branch to avoid any disputes/complications in the future.

PLEASE NOTE that a copy of Withdrawal Notice duly verified by Regional Manager be sent to HO, within 7 days of date of withdrawal for each account.

7. Commission Payable to the Resolution Officers

Outstanding	If the age of NPA is up to 3 years	If the age of NPA is more than 3 years
Up to Rs.1 lakh	8%	10%
Above Rs.1 lakh but Up to Rs.50 lakh	7%	9%
	(Max. up to Rs. 1.50 lac)	(Max. up to Rs. 1.50 lac)

Regional Manager will be the competent authority to finalize the bill/claim submitted by the Resolution Officers and its payment, based on their record of recoveries and as per the Bank's extant guidelines

Important Note

The above mentioned rate will be subject to the changes introduced by the Bank and will be applicable from the **date of issue of the relevant Circular/ Communication.**

NOTE

The above mentioned rates payable to Resolution Officers are all inclusive of taxes whatsoever may be applicable and net amount will be payable after deduction of applicable GST, to be deposited by the Bank.

7.1 Guidelines issued by SAMD vide Circular No. 15/2017 dated 31.08.2017 on Implementation of GST – Fees paid to the outsourcing agencies be strictly adhere to.

Further, guidelines issued in this respect from time to time by Accounts Dept., HO/ Recovery Division (SAMD) be complied with.

To obviate the possibility of any complaints from the Agencies, **suitable communication be sent to them through registered post without fail, if not already sent and proper record of the same be maintained at the Regional Office and Branch level.**

Important Note

—In case the recoveries are effected in the accounts due to orders passed by say **DRT/Court/Any Govt. Agency etc. and/or through any sale process (e.g e- auction, manual auction, tenders etc.) and/or OTS/Compromise and/or any other process, which it is confirmed that the Resolution Officer did not play any role for recovery/made any efforts, no commission shall be payable to the Resolution Officer.**

Branch Incumbent must satisfy about genuineness of the case and then only pay the amount of commission and not merely on the ground that the account has been allocated to the Resolution Officer. In case of any **dispute, Regional Manager will be the final authority to decide the case.**

A suitable communication may be sent to all the Resolution Officers already engaged and for future; necessary amendments have been made in the Agreement also.

7.2 For resolution /recovery of accounts expenses on conveyance/travelling, salary to staff employed by the Resolution Officer/fee paid to the Supporting Agency for taking possession/other out of pocket expenses shall be borne by the Resolution Officers. However, **Insurance charges, Security/Valuation charges after taking the possession by Bank/Official Liquidator/DRT Receiver, legal expenses including fees to the**

advocates, charges relating to auction shall be borne by the Bank.

- 7.3 In case, recoveries affected by the Resolution Officers are more than the outstanding **memoranda dues** in the borrower's allocated account, then the following two situations may arise for determining, payment of commission to be paid to the Resolution Officers:

S. No.	Situation	Amount Of Commission
1.	In case the surplus amount of recovery (after adjustment of the allocated account to the Resolution Officer) is appropriated in any other connected NPA loan account of the same borrower.	Commission will be payable on the total amount of recoveries made by the Resolution Officer, including that on the surplus amount.
2.	In case the surplus amount of recovery (after adjustment of the allocated account to the Resolution Officer) is to be returned to the borrower.	Commission will be payable on the amount of recoveries appropriated in the allocated account and no commission will be payable on the surplus amount, to be returned to the borrower.
3.	In case an NPA account is upgraded by partial amount of recoveries which is more than the critical amount (e.g an NPA a/c with balance O/s of say Rs. 10 lacs is eligible for upgradation by recovery of say Rs. 1.50 lacs but Recovery Agency has got recovery of Rs. 3 lacs)	Commission will be payable on the amount of recoveries (i.e on Rs. 3 lacs and not the critical amount of Rs. 1.50 lacs)

- 7.4 The commission would be payable in respect of allotted accounts on the amounts recovered through efforts of the Resolution Officer and credited to the borrowers' accounts.
- 7.5 **Renegotiation and Payment of fees to the Resolution Officers** Regions/Branches shall ensure that the commission to Resolution Officers for resolution of NPAs is paid in terms of the Bank's guidelines and **no further negotiation may be required at their level.**

Resolution / Settlements in chronic NPAs, emerge mainly because of the effectiveness of systematic follow-up made by the Resolution Officers. Thus ethically the credit/remuneration for recoveries on account of the above is genuinely payable to them.

Avoiding Resolution Officers during final settlements / auctions / sales, to avoid commission/fees is undesirable and non-payment of the fees in such cases on flimsy grounds is prone to complaints. Such acts have adverse bearing on the future recovery process and credibility of the Bank.

- 7.6 **Competent Authority for payment and settlement of disputes**

Regional Manager will be the competent authority to finalize the bill/claim submitted by the Resolution Officers and its payment, based on their record of recoveries and as per the Bank's extant guidelines. In case of any dispute, Head Office may take the final decision, considering facts of the case for settlement of disputes.

8 Miscellaneous Terms & Conditions

Following terms and conditions are applicable to Resolution Officers.

- 8.1 Borrowers/co-obligants shall be informed of the engagement of Resolution Officer at the time of assigning the job for resolution.
- 8.2 The Regional Office where the account is located shall provide to Resolution Officer all information including Dues of the borrower/claim lodged with the liquidator in case of liquidation, complete address of borrowers/co-obligants and copies of plaints in case of suit filed and the details of the charged securities, attachments if any, if desired by the Resolution Officers. Further, Regional Office shall coordinate the job of Resolution Officer.
- 8.3 In case Resolution Officers desire for **Power of Attorney** from Bank to act on behalf of the Bank for the resolution of the account, they may be provided as per format- **Annexure-POA enclosed**.
- 8.4 Keeping in view the provisions of the RTI Act, salient features of the Policy e.g criteria for empanelment, experience, fees/commission etc. may be placed on the **Bank's Website** for the convenience of the Resolution Officers.
- 8.5 Resolution Officer shall ensure that while acting as Resolution Officer, they do not give rise to any pecuniary liability to Bank otherwise they shall be held liable for their action.
- 8.6 Bank has right to withdraw any financial asset allocated to the Resolution Officer without assigning any reason subject to approval of Regional Manager.
- 8.7 Bank has right to terminate the empanelment of Resolution Officer at any time without assigning any reason subject to approval of **General Manager** based on the inputs/information provided by the Regional Manager. The financial assets allocated to them will also be withdrawn. In that case **it is essential that a withdrawal notice is served to the Resolution Officer and is kept in the records of the Regional Office and branch to avoid any disputes/complications in the future.**
- 8.8 The recovery effected by the Resolution Officer shall be deposited with the branch concerned immediately and a statement of account of the recovery duly certified by the Branch Incumbent, shall be submitted by the Officer on quarterly basis to the branch.
- 8.9 In case Borrower/co-obligants approaches the Bank for OTS in the accounts allocated to PGB Retired Employees and the same is accepted by the competent authority, Resolution Officer shall also be entitled for the commission on actual amount of recovery.
- 8.10 In case any dispute arises the matter cannot be taken to Civil Court.
- 8.11 The branch should inform the borrower, details of the Resolution Officer while forwarding default cases to the Resolution Officers, for which they may use **Annexure-10**. Further, since in some of the cases, the borrower might not have received the details about the Resolution Officers due to refusal/non-availability /avoidance and to ensure identification, it would be appropriate if the Officer also carries a copy of the notice and the authorization letter from the Bank along with the identity card issued to him by the Bank. Further, where the Resolution Officer is changed during the recovery process the borrower should be notified about the change of Resolution Officer and new Resolution Officer should carry the notice and the authorization letter along-with his identity card.
- 8.12 **Legal Action/Follow-up by the Resolution Officers**

Regional Offices shall advise and ensure that branches, having their accounts allocated to

Retired PGB Employees as Resolution Officer, shall inform the concerned lawyers/advocates, about their engagement and wherever required, seek their services for expeditious resolution of NPAs. For this purpose, identity of the Resolution Officers can be verified by the concerned lawyers/advocates through **identity cards issued to the Resolution Officers by the Bank.**

This will facilitate the Resolution Officers to keep track of developments. However, any meeting of the Resolution Officers with the lawyers/advocates must be attended by the concerned branch official.

In case any account is withdrawn from the Agencies, the same should also be promptly informed to the concerned lawyer.

8.13 **Involvement of Resolution Officers during negotiations with borrowers**

Branches/Regions should generally involve the Resolution Officers to participate during settlement discussions with the borrowers. In fact, presence of Resolution Officers who are responsible for follow-up with the borrowers is beneficial for settlement through negotiations and can result into higher settlement. This facilitates to integrate the efforts of the Resolution Officers and Bank officials and avoids any communication gap.

8.14 **While providing the requisite information pertaining to allotted NPA accounts to the Resolution Officers, branches should not part with the documents e.g the file, mortgage deeds etc., which may jeopardize the Bank's interest.**

8.15 **Resolution Officers must ensure that:**

- (i) There is a tape recording of the contents/text of the calls made by them to the customers, and vice versa. It may take reasonable precaution such as intimating the customer that the conversation is being recorded, etc.
- (ii) They preserve documents and/or data in accordance with the legal/regulatory obligation of the Bank.

9 Monitoring & Review of the Scheme

9.1 The list of PGB Retired Employees as Resolution Officers shall be placed on the Bank's website.

9.2 **Regional Office shall monitor the progress** in the matter of Resolution of NPAs through Resolution Officers on **quarterly basis** and ensure to send the progress report to the HO, Recovery Division for placing the same to **General Manager** (Recovery Division) on **quarterly basis**. Further, the progress/ renewal of the Resolution Officers will be **reviewed annually** by Recovery Division, HO.

9.3 Regional Office shall **inform the** list of approved **Resolution Officers** (name, address & telephone numbers) **every year** to **HO Recovery Division for placing the same** on Bank's Website so that other Regional Offices may also utilize their services, wherever required. This list will be updated on **yearly basis by Recovery Division, before 30th June.**

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Draft of Agreement

RETIRED BANK (PNB) EMPLOYEES AS RESOLUTION

[To be stamped with twice the duty of an Agreement (Agreement + Indemnity)]

AGREEMENT

This agreement is made at on the day of..... 200—

BETWEEN

Punjab Gramin Bank a body corporate constituted under the RRB Act 1976 and having its Head Office at Jalandhar Road, Kapurthala and inter alia among others, Regional Office at (hereinafter called the `Bank' which term shall, wherever the context so permits, mean and include its successors and assigns) of the First Part;

AND

Mr./Ms.....son/daughter/wife of Mr.
.....resident of
(hereinafter referred to as `the Resolution Officer' which expression shall, wherever the context so permits, mean and include its permitted assigns) of the Second Part;

Whereas

1. The Bank is engaged in the business of Banking and is desirous of strengthening the process of recovery of amounts that became due from its borrowers in the course of its business by utilizing services of Resolution Officer and
2. The Resolution Officer had been working aswithorganization and is having experience in debt collection and resolution of NPAs. The Resolution Officer after having honourably retired from services of previous employer has offered his services to act as Resolution Officer for Resolution of the NPAs of the Bank.

Now, therefore, it is hereby agreed by and between the parties as follows:

1. Period of the Agreement

This agreement shall come into effect from date of its execution and shall be for a initial period of 12 months which can be extended up to a further period of 12 months at the discretion of the Bank, unless terminated earlier in terms of provisions of this agreement.

2. Scope and Terms of Services

The scope of services under this agreement shall include recovery in non-performing assets of the Bank in the category of non-suit filed, suit filed and decreed accounts.

The Bank has identified a list of the accounts which are given to the Resolution Officer as per schedule A of the agreement. The Resolution Officer has accepted to provide its services as such for these accounts.

The Resolution Officer shall execute a **Non-Disclosure Agreement** as per **Annexure- 1 and undertaking as per Annexure- 2 & 3.**

- (b) That the Bank shall provide all information including dues of the borrower/claim lodged with the liquidator in case of companies under liquidation, complete address of borrower/co-obligants and copies of plaints in case of suit filed and details of charged securities, attachments, if any desired by the Resolution Officer.

That the Bank shall also provide details of the cases pending against the obligants including courts where the cases are pending.

In case Resolution Officers desire power of attorney from Bank to act on behalf of the Bank, the same shall be provided.

To pursue legal matters Resolution Officers may appoint their own Advocate to pursue the cases for recovery at their own cost.

The Resolution Officer accepts and confirm that the details so provided are sufficient for it to take further steps for resolution of accounts.

The Resolution Officer for the purpose of the services agrees to be provided can engage its agent, employee, advocate and other professionals in connection with resolution of the account. All the expenses towards these personnel shall be borne by the Resolution Officer. The Resolution Officer agrees and confirms to bear the expenses and shall keep the Bank and its officials fully indemnified against any claim of such personnel.

The Resolution Officer in order to resolve the account can contact the obligants, visit and inspect any security as permissible to the Bank in terms of loaning and security documents.

The Resolution Officer undertake to pursue the litigation diligently in respect of each account before the court or Tribunal wherever the same is pending during the currency of this agreement at its expenses and costs including taxes, if any.

The Resolution Officer has been given a maximum period of **12 months** to resolve an account on the terms and conditions which are acceptable to the Bank. This period can be extended up to maximum period of **24 months** at the

discretion of the Bank upon such terms and conditions as may be agreed between the parties.

In case the Resolution Officer fails to resolve any account during the agreed period, the resolution of the account will be returned to the Bank and thereafter Bank shall be free to follow up the recovery in the account as deemed fit without any intervention or claim of any kind of the Resolution Officer.

3. The Resolution Officer's Representations and undertakings

The Resolution Officer represents that it is duly authorized to enter into this agreement and perform the services. The performance of services shall not violate any provision of law and its charter.

The Resolution Officer represent and agrees that it will comply with all legal requirements and obtain such licenses, approvals and consents, if any, prescribed / required under any law / rules / regulations and keep them valid during the currency of this agreement.

The Resolution Officer represents that it is adequately equipped, in terms of infrastructure, manpower and expertise to provide the Service and undertakes to provide the service all the time during the period of this agreement.

The Resolution Officer represent and confirms that it shall be its absolute responsibility to take insurance of its employees, its assets as deemed fit and confirm that its personnel will have the requisite certificate from Indian Institute of Banking and Finance (IIBF) having undertaken the requisite training as per RBI guidelines, if so required.

That Resolution Officer and its employees shall in the course of the service:

- Observe highest professional and ethical standards and shall not resort to any method, conduct or procedure in contravention of any law.
- adhere to the instructions and guidelines issued by the Bank from time to time to the Resolution Officer
- Comply with RBI's Guidelines on Fair Practices Code for Lenders and Guidelines on Managing Risk & Code of Conduct in Outsourcing of Financial Services by Banks.
- Comply with IBA's Model Code for Collection of Dues and Repossession of Security (CDRS Code).
- The Resolution Officer unconditionally agrees that the Bank's decision will be final and binding in regard to the Resolution Officer's compliance in this respect.
- The Resolution Officer will ensure due diligence of the personnel who will represent the Resolution Officer for recovery of the amount(s) due including pre-employment police verification and will submit confirmation as also names, bio-data and other details (as may be required by the Bank) along with attested (by the Resolution Officer itself) photograph of such representative to the Bank.

- It should be ensured that Resolution Officer maintains same standard of care in performing the services as would be done by the Bank.
- That the Resolution Officer shall conduct its activities and bound by the obligations as imposed on the Bank in respect of outsourcing of any activity.

The Resolution Officer agrees and confirms that the personnel employed or engaged by it shall be its employee or agent for all purposes and intent. The Resolution Officer shall be liable to pay to them their entitlements as per agreed terms. In case of any claim against the Bank by any personnel, this position will be confirmed by it and shall keep the Bank indemnified against all such claims, losses etc. arising out of any claim so made.

The Resolution Officer shall:

- treat all information (whether verbal, written or otherwise) and materials (whether in hard form such as papers, documents or soft form such as electronic data, floppies or cassettes) received from the Bank in relation to the service as confidential information;
- exercise utmost care in preserving the confidentiality of such information and material;
- not disclose or pass on or cause to be disclosed or pass on such information or material to any others ; and
- Return such information and material to the Bank as and when required or termination of the agreement as the case may be.
- The Resolution Officer shall ensure that the obligation to treat information as confidential shall be observed by each personnel of Resolution Officer also.
- Ensure that there is a tape recording of the contents/text of the calls made by them to the customers, and vice versa. It may take reasonable precaution such as intimating the customer that the conversation is being recorded, etc..
- Preserve documents and/or data in accordance with the legal/regulatory obligation of the Bank.
- Ensure that Police verification Reports of the antecedents of their employees, which may include pre employment police verification, as a matter of abundant caution **are submitted to the Regional Office for ready reference and records.** Further, re-verification of antecedents should be resorted to at an interval of 2 years.

4. Procedure for collection

The Resolution Officer shall not engage any person other than whose name(s) are informed to the Bank as aforesaid for the collection.

In the event of any person whose name is previously informed by the Resolution Officer to the Bank as aforesaid in relation to collection of an amount(s) ceasing to be connected with the collection of such notified amount for the reason of such person leaving the engagement or otherwise, the Resolution Officer shall inform the Bank forthwith details of such cessation.

The representatives of the Resolution Officer shall not accept payment in cash. Whenever the party desires to make payment in cash, the party shall be advised to directly deposit the cash in the Bank's branch.

The representatives of the Resolution Officer shall, under the Service, collect the amount(s) only by cheques / drafts drawn in favour of PGB A/C _____ (title of the account for which the collection is made) and crossed 'A/c. Payee only' and in no other manner. The instruments so collected shall be tendered at the concerned branch latest by the next working day. They shall not receive any cheque / draft in their names.

An acknowledgment will be issued to the person from whom such cheque /draft is collected.

5. General Terms

Bank has right to withdraw any financial asset/account allocated to Resolution Officer without assigning any reason.

Bank has right to terminate the empanelment of Resolution Officer at any time without assigning any reason and in such eventuality the accounts allocated to them will also be withdrawn . The Resolution Officer undertakes to return all documents, records and information received from Bank in connection with resolution of each account.

On termination / cancellation of this agreement, the identity cards of all the representatives shall be forthwith returned to the Bank.

In the event of termination of agreement with the Resolution Officer due to non observance of terms & conditions, the Resolution Officer hereby agrees and gives its consent to Bank to exchange information with other Banks, Financial Institutions, NBFCs directly or through the medium of RBI, IBA or any other institution or association about its particulars i.e. name, address and other details including causes for delisting, depaneling on account of non adhering to Clause 3.5 and also briefing the description of the incident.

The Resolution Officer shall ensure that while acting as such their action do not give rise to any pecuniary liability to Bank and they shall be liable for their action and keep Bank indemnified for such pecuniary liability.

Resolution Officer shall observe all the terms and conditions issued by the Bank from time to time.

6. The Bank's Covenants

The Bank shall in consideration of the services, pay to the Resolution Officer, fee as indicated below at monthly intervals on amounts recovered from borrowers of identified accounts and credited in the borrowal accounts at the branch:

PGB Retired Employees

Outstanding	If the age of NPA is upto 3 years	If the age of NPA is more than 3 years
Upto Rs.1 lac	8%	10%
Above Rs.1 lacs but Upto Rs.50 lacs	7%	9%
	(Max. Rs. 1.50 lacs)	(Max. Rs. 1.50 lacs)

Important Note

The above rates mentioned at **Para 6.1** will be subject to the changes introduced by the Bank and will be applicable from the **date of issue of the relevant Circular/Communication**. However, the concerned **Branch Incumbent shall inform of the change in rates, to the Resolution Officers**.

The above mentioned rates payable are all inclusive of taxes whatsoever may be applicable. The amount shall be paid after deduction of Service Tax by the Bank.

In case, recoveries affected by the Resolution Officers are more than the outstanding memoranda dues in the borrower's allocated account, then payment will be made as per details given below:

S.No.	Situation	Amount Of Commission
1.	In case the surplus amount of recovery (after adjustment of the allocated account to the Resolution Officer) is appropriated in any other connected NPA loan account of the same borrower.	Commission will be payable on the total amount of recoveries made by the Resolution Officer, including that on the surplus amount.
2.	In case the surplus amount of recovery (after adjustment of the allocated account to the Resolution Officer) is to be returned to the borrower.	Commission will be payable on the amount of recoveries appropriated in the allocated account and no commission will be payable on the surplus amount, to be returned to the borrower.
3.	In case an NPA account is upgraded by partial amount of recoveries which is more than the critical amount (e.g an NPA a/c with balance O/s of say Rs. 10 lacs is eligible for upgradation by recovery of say Rs. 1.50 lacs but Recovery Agency has got recovery of Rs. 3 lacs)	Commission will be payable on the amount of recoveries (i.e on Rs. 3 lacs and not the critical amount of Rs. 1.50 lacs)

The commission would be payable in respect of allotted accounts on the amounts recovered through efforts of the Resolution Officer(cy) and credited to the borrowers' accounts.

In case NPA account(s) are allocated to a Resolution Officer(cy) and due to their efforts OTS is initiated, approved and amount is recovered as per the terms & conditions of OTS, commission will be payable to the Resolution Officers as per Bank's extant guidelines.

The fee payable will be all inclusive and no operational expenses would be reimbursed to the Resolution Officer. For resolution /recovery of accounts expenses on conveyance/travelling, salary to staff employed by the Resolution Officer/fee paid to the Supporting Agency for taking possession/other out of pocket expenses shall be borne by the Resolution Officers. However, **Insurance charges, Security/Valuation charges after taking the possession by Bank/Official Liquidator/DRT Receiver, legal expenses including fees to the advocates, charges relating to auction shall be borne by the Bank.**

The Bank shall not be liable to pay to the Resolution Officer any amount (whether by way of compensation, remuneration reimbursement or otherwise) other than the fee as aforesaid, in relation to the service.

In case borrower/co-obligants approaches the Bank for OTS in the accounts allocated to Resolution Officer and same is accepted by the Competent Authority, the Resolution Officer shall also be entitled for the commission on the actual amount of recovery.

7. Non-Exclusive Agreement

It is expressly agreed and understood between the parties hereto that this agreement is on non exclusive basis and the Resolution Officer does not have any exclusive right to provide the said services set out herein to the Bank and that the Bank is free to engage as many companies/firms, to provide such services and enter into agreements with any other person, Firm, Company, Organization, as may be deemed fit by the Bank. The Resolution Officer shall also be at liberty to secure assignments from any other body Corporate or Bank.

8. Publicity

The Resolution Officer, its employees, representatives etc. shall not use the name, trademark and/or logo of the Bank in any sales or marketing publication or advertisement or in any other manner.

9. Miscellaneous

The Bank may amend this agreement by giving a notice of such amendment to the Resolution Officer, on the address first stated above.

Bank shall have right to terminate this agreement immediately:

If any of the Resolution Officer's Representations and Undertakings found or becoming incorrect or untrue or breach by the Resolution Officer to observe any of the terms and conditions contained herein.

In case any dispute arises, the matter shall be resolved through mutual discussions.

IN WITNESS WHEREOF the parties hereto have executed these presents the day and year first hereinabove written.

For the Bank

For the Resolution Officer

For Punjab Gramin Bank
.....Region

For and on behalf of Messrs
.....

Signature

Authorized Signatory (Signature)

Name

Name

Designation

Designation

(Copy of Resolution authorizing
Captioned signatory also be submitted)

Undertaking

We hereby undertake as under forming the part of Agreement executed on____(date):

1. Follow the fair practice especially with regard to collection of dues and repossession of securities.
2. Foster customer confidence and long term relationship.
3. Dignity and respect to customers shall be maintained.
4. Unduly coercive methods in collection of dues shall not be adopted.
5. Courtesy, fair treatment and persuasion shall be the basis of recovery.
6. In the event of the default security repossession shall not be aimed at whimsical deprivation of the property.
7. Fairness and transparency in repossession, valuation and realization of securities shall be made.
8. Customer would be contacted ordinarily at the place of his choice and in the absence of any specified place at the place his residence i.e. the case of retail customers and in the place of business or residence as the case may be in the case of other customers.
9. Identity and authority to represent would be made known to the customer at the first instance.
10. Customer privacy would be respected.
11. Interaction with the customer would be in an acceptable business language.
12. Customer calling time would be between 0700 hrs. and 1900 hrs. unless the special circumstances of the borrower's business or occupation demands otherwise.
13. Customer requests to avoid calls at a particular time or at a particular place would be honoured as far as possible.
14. Time and number of calls and contents of conversation would be documented.
15. Customer would be provided with all the information regarding dues and necessary notice would be given for enabling discharge of dues.
16. Reasonable notice would be given before repossession of security and its realization.

17. All assistance would be given to resolve disputes or differences in a mutually acceptable and in ordinary manner, if any as regards dues.
18. During visits to customers' place for dues collection, decency and decorum would be maintained.
19. Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits to collect dues.
20. Demeanor that would suggest criminal intimidation or threat of violence would be scrupulously avoided.
21. We shall not interfere in the affairs of the borrowers except the recovery as per terms agreed.
22. Discrimination on the grounds of sex, cast and religion shall not be made in the matter of job assigned to them.
23. The confidentiality of information pertaining to the customers after the contract expires or gets terminated shall be maintained.
24. Bank shall be allowed to access all books, records and information relevant to the outsourced activity and also to conduct audits whether by its internal or external auditors or any agents appointed to act on its behalf and to obtain copies of any audit or review reports and findings made on the service providers in conjunction with the services performed.
25. Reserve Bank of India or persons shall be authorized to assess the documents, records of transactions and other information given to Recovery Agency by the Bank and also to recognize the right of Reserve Bank to cause an inspection to be made of its books and account by one or more of its Officer or employees or other authorized persons.
26. We would not resort to intimidation or harassment of any kind either verbal or physical against any person in debt collection efforts including acts intended to humiliate publically or intrude the privacy of the debtors, family members, referees and friends by making threatening and anonymous calls or making false and misleading representations.

For the Resolution
Officer For and on behalf of
M/s _____

Authorized Signatory (Signature)
Name:
Address:

ADDITIONAL ASPECTS TO BE TAKEN CARE OF AS PROPOSED BY IBA

A. Giving notice to the borrowers :

1. No legal or other recovery measures including re-possession of security will be initiated without giving due notice in writing.
2. First notice to be served upon the borrower for 15 days time period to clear dues to regularize the account. In case borrower fails to respond; a second notice will be issued explaining the consequences of non-payment by giving a further period of 15 days to the borrower to clear the dues.
3. On non-payment of dues, Recall notice of entire loan amount shall be issued.
4. In the event of failure of borrower response, a final notice will be issued after which Bank will be free to initiate such recovery measures as deemed fit.

B. Re-possession of Security

1. The recovery process through repossession of security will involve repossession, valuation & realization of security through appropriate means. The process is to be carried out in a fair & transparent manner.
2. Repossession will be done only after issuing of third and final notice as mentioned above.
3. Due process of law will be followed while taking repossession of security.
4. All prudent measures for assuring safety & security of property after taking custody will be taken.

C. Valuation & Sale of Property

1. The valuation of security is to be got done from the approved valuer.
2. The valuation given by the approved valuer will be conveyed to the borrower before proceeding for sale of property.
3. Before finalizing the sale of property, offers received by the Bank will be informed to the borrower and he will be given the opportunity to bring in a higher Price Bid.
4. The Bank will have the right to recover the balance dues from the borrower, if any, after sale.
5. In case excess amount realized will be returned to the borrower after meeting all the related expenses.

D. Opportunity for the borrower to take back the security

1. Bank may consider handing over possession of property to the borrower any time after re-possession and before concluding sale transaction of the property provided the Bank dues are cleared in full.
2. In case of genuineness of difficulty of the borrowers inability to pay the loan installments which resulted in the re-possession of the security. The Bank may consider handing over the property after receiving installments in arrears subject to the satisfaction of the Bank that the borrower will repay remaining installments in time in future.

For the Resolution

Officer For and on behalf of M/s_

Authorized Signatory (Signature)

Name :

Address:

NON-DISCLOSURE AGREEMENT

This agreement is made at on the day of 200—

BETWEEN

Punjab Gramin Bank, a body corporate constituted under the RRB Act 1976 and having its Head Office at Jalandhar Road, Kapurthala and inter alia, Regional Office at..... (hereinafter called the `Bank' which term shall, wherever the context so permits, mean and include its successors and assigns) of the First Part;

AND

Mr./Ms.....son/daughter/wife of Mr.
.....resident of
(hereinafter referred to as `the Resolution Officer' which expression shall, wherever the context so permits, mean and include its permitted assigns) of the Second Part;

Whereas

- a. The Bank is engaged in the business of Banking and is desirous of strengthening the process of recovery of amounts that became due from its borrowers in the course of its business by utilizing services of Resolution Officer and
- b. The Resolution Officer had been working aswithorganization and is having experience in debt collection and resolution of NPAs. The Resolution Officer after having honourably retired from services of previous employer has offered his services to act as Resolution Officer for Resolution of the NPAs of the Bank.
- c. Where Bank and Resolution Officer have entered into an agreement to provide services as Resolution Officer vide Agreement dated.....herein after referred to as the Agreement.
- d. The Parties intend to establish a business relationship between themselves. In the course of such process of services, it is desirable that Bank to disclose or deliver to the Resolution Officer certain or some of its trade secrets or confidential or proprietary information for the purpose of enabling the other party to provide services (hereinafter referred to as -the Purposell).

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. **Information:** —Informationll means all information disclosed/furnished by Bank to Resolution Officer in connection with the services to be provided. Information shall include any copy, abstract, extract thereof.

The Receiving Party may use the Information solely for and in connection with the Purpose as contained in the agreement.

Notwithstanding the foregoing, —Informationll shall not include any information which the Receiving Party can show: (a) is now or subsequently becomes legally and publicly available without breach of this Agreement by the Receiving Party (b) was rightfully in the possession of the Receiving Party without any obligation of confidentiality prior to receiving it from the Disclosing Party, (c) was rightfully obtained by the Receiving Party from a source other than the Disclosing Party without the obligation of confidentiality (d) is disclosed pursuant to an order of a Court or Government Agency as so required by such order, provided that the Receiving Party shall unless prohibited by law or regulation, promptly notify the Disclosing Party of such order and afford the Disclosing Party the opportunity to seek appropriate protective order relating to such disclosure.

2. **Non-disclosure:** The Receiving Party shall not commercially use or disclose any information or any materials derived there from to any other person or entity other than persons in the direct employment of the Receiving Party who have a need to have access to and knowledge of the Information solely for the Purpose for providing services. The Receiving Party may disclose Information to consultants only if the consultant has executed a Non Disclosure Agreement with the Receiving Party that contains terms and conditions that are no less restrictive than these. The Receiving Party shall take appropriate measures by instructions and written agreement prior to disclosure to such employees to assure against unauthorized use or disclosure. The Receiving Party agrees to notify the Disclosing Party immediately if it learns of any use or disclosure of the Disclosing Party's Information in violation of the terms of this Agreement.
3. **Publications:** Neither Party shall make news releases, public announcements, give interviews, issue or publish advertisements or publicize in any other manner whatsoever in connection with Agreement, the contents/provisions thereof, other information relating to Agreement, the Purpose, the Information or other matter of Agreement, without the prior written approval of the other Party.
4. **Term:** This agreement shall be effective from the date hereof and shall continue till expiration of **5 (five years)**, unless renewed or termination of Agreement between Resolution Officer and PGB. Upon expiration or termination as contemplated herein the Receiving Party shall immediately cease uses of information; and at the request of the Disclosing Party, the Receiving Party shall promptly return all written Information and all copies, abstracts, extracts thereof. The obligations of the Receiving Party respecting disclosures and confidentiality shall continue to be binding and applicable without limit in point in time except and until such information enters the public domain.

5. **Title and Proprietary Rights** : Notwithstanding the disclosure of any Information by the Disclosing Party to the Receiving Party, the Disclosing Party shall retain title and all intellectual property and proprietary rights in the Information. The Receiving Party shall not conceal, alter, obliterate, mutilate, deface or otherwise claim proprietary right of the Disclosing Party on any copy of the Information.
6. **Return of Information** : Upon written demand of the Disclosing Party, the Receiving Party shall (i) cease using the Information (ii) return the Information and all copies, abstract, extracts, notes thereof to the Disclosing Party within seven (7) days after receipt of notice.
7. **Remedies** : The Receiving Party acknowledges that if the Receiving Party fails to comply with any of its obligations hereunder the Disclosing Party may suffer immediate, irreparable harm for which monetary damages may not be adequate. The Receiving Party agrees that, in addition to all other remedies provided at law or in equity, the Disclosing Party shall be entitled to injunctive relief hereunder.
8. **Entire Agreement Amendment Assignment** :This Agreement constitutes the entire agreement between the parties relating to the matters discussed herein and supercedes any and all prior oral discussions and /or written correspondence or agreements between the parties. This Agreement may be amended or modified only with the mutual written consent of the parties. Neither this Agreement nor any right granted hereunder shall be assignable or otherwise transferable.
9. **Governing Law**: The provisions of this Agreement shall be governed by the laws of India.
10. **General** : None of the Information disclosed by the disclosing parties constitutes any representation, warranty, assurance , guarantees or inducement by disclosing party to the other with respect to the fitness of such Information for any particular purpose or for any purpose under the agreement.

IN WITNESS WHEREOF, the Parties hereto have executed these presents the day, month and year first herein written below:

**For and on behalf of
Resolution Officer**

For and on behalf of Punjab Gramin Bank

Signature
Name of Signatory
Designation
(At the time of retirement)
Date:

Signature
Name of Signatory
Designation

Date:

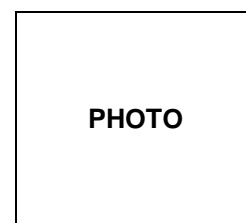
SPECIMEN OF IDENTITY CARD

IDENTITY CARD

Name of the Resolution Officer engaged by Punjab Gramin Bank: _____
(Ex-PGB Employee)

Address & Telephone No. of the Resolution Officer: _____

Valid up to: _____



Signature of Resolution Officer

Signature & stamp of issuing authority

THE RESOLUTION OFFICER SHALL NEITHER ACCEPT CASH NOR ANY CHEQUE/ DRAFT IN HIS NAME

(To be printed on the back of the Identity Card)

If anyone finds this Identity Card, he may send it to the following address:

Punjab Gramin Bank,

Region Office,

JOB –CARD FOR RECOVERY

Task No. _____

1. Name and address of the borrower :
2. Name and address of the guarantor(s) :
3. Details of credit facilities sanctioned :

Nature of credit facilities	Total amount due inclusive of interest as on
a.	
b.	
c.	

4. Status of legal action, if any:
5. Details of all hypothecated properties, viz., Plant and Machinery and Current Assets including Stocks, Book Debts, Receivables, Consumables etc:
6. Particulars of the immovable properties mortgaged, if any, to the Bank:
7. Particulars of the personal properties of the Borrower / Guarantor (as may be available from loan application forms, statement of assets and liabilities, CRs, correspondence, visit reports and other sources):

Date of issue: _____

Manager

Punjab Gramin Bank

BO: _____

To,

M/s. _____

IMPORTANT

You shall observe the terms and conditions of the agreement executed by you with the Bank in performing the services for the recovery of dues.

+++++

Format of Collection Slip (To be submitted in Triplicate)

Cheque / Draft No. and Name of Bank	Amount in Rs.
Total	

1st slip: To the person from whom amount is collected.

2nd slip: To the Bank (along-with the relevant cheque / draft); and

3rd slip: For the retention by the Agency for own records.]

+++++

Punjab Gramin Bank
BO: _____

Report of Collection

Account No.	Name of Borrower / Guarantor	Date of collection	Date of tender at the branch	Amount collected

Report of follow-up action

Account No.	Name of Borrower / Guarantor	Date of visit	Response of person contacted

Signature of Resolution Officer _____

REGIONAL OFFICE: _____

**Progress Report In Respect Of Accounts Allocated To Resolution
Officers For The Period Ended _____**

PART-A

(Rs. In Lakh)

No. Of Resolution Officers Empanelled	Accounts Allocated To The Resolution Officers (Position As On The Date Of Statement)		Recovery Effectuated During The Period	Commission Paid During The period
	Number Of A/Cs	Amount Involved		

PART-B

No. Of Complaints received from the borrowers, against Resolution Officers during the reporting period	No. of complaints redressed during the reporting period	Pending complaints as on date of reporting	Reasons for delay in redressal of the complaints (Attach separate Annexure)	No. of Resolution Officers de- paneled during the reporting period	Reasons for Depanelment (Attach separate Annexure and explain reasons for each case)

Further it is confirmed that:

- ❖ One account is not allocated to two Resolution Officers simultaneously and all connected accounts are allocated to one Resolution Officer.
- ❖ Number and Value of cases allotted to the Resolution Officers are in conformity to the resources at their disposal.
- ❖ Progress of Resolution Officers is monitored on **quarterly basis**.
- ❖ Bank's guidelines issued from time to time are duly complied with, meticulously.

Regional Manager

Annexure-10

**(FORMAT FOR INTIMATING THE BORROWER ABOUT
ALLOCATION OF ACCOUNT TO RESOLUTION OFFICER)**

Punjab Gramin Bank
Branch Office _____
Address: _____

Date: _____

Shri (Name of the borrower)
Address: _____

_____.

Dear Sir,

**Engagement of Resolution
Officers**

As per Banks' records following loan limits were sanctioned/disbursed to you, which are already overdue for repayment.

S.No.	Nature Of Loan Limit	Date of Sanction/Disbursement	Amount
1.			
2.			
3.			

We regret to inform you that despite sending letters/reminders dated ____ and personal deliberations held on _____, you have not yet deposited the amount due.

In pursuit of expeditious recoveries, we have allocated your account to the following
Resolution Officer:

✚ **Name:** _____

✚ **Address:** _____

✚ **Telephone Numbers:** _____

This is for your information please.

In case of harassment and/or adoption of coercive measures by the Resolution Officer, matter may be immediately reported to the branch.

(Designation & Signatures of the Branch Official)

**NOTE: THIS FORMAT NECESSARILY HAS TO BE USED IN LOCAL VERNACULAR
LANGUAGE.**

POWER OF ATTORNEY

TO ALL TO WHOM THESE PRESENTS SHALL COME, We,
_____, a Banking company and having its Head office at
_____, the executants acting as power of attorney holder on behalf
of the Punjab Gramin Bank do hereby, as grantor of this Power of Attorney, now and
hereby name, constitute and appoint the Resolution Officer,
being,

_____, a company incorporated under
the Companies Act, 1956 and having its registered office at

_____, (the **-Attorney**”), to be
our true and lawful constituted attorney so that it may, for and in our name do and / or
perform all or any of the following acts, deeds, matters and things in relation to the
Loans, the underlying Security Interests, pledges and / or guarantees under the
Financing Documents and all the Transaction Documents executed by the Punjab
Gramin Bank, while acting as Resolution Officer in terms of agreement dated.....:

1. To do all such acts, deeds and things as may be required to sign all such deeds, documents, and writings be deemed necessary as may be required in connection with resolution of accounts, pursuing litigation in courts, tribunals and/or enforcement of securities:
2. Collect, enforce, realize and give receipts of cheque/draft.
3. To ask for, demand, recover, realize, enforce and obtain any payment of the Loans, including all dues, demands, actionable claims arising in favour of the Punjab Gramin Bank from its Borrowers under the provisions of the Financing Documents under the Resolution Officer agreement.
4. To initiate and continue any legal proceeding and / or action whether by way of suit, petition, application, including for enforcement of any underlying Security Interests, pledges and / or guarantees in any court of law, tribunal and / or any other authority against the Borrower or any Person and / or to prefer and continue any appeal, revision, application, petition and / or any other proceedings at any higher court or tribunal against any order, award and / or decree or procurement by any court, authority or tribunal or any other authority as the Attorney may consider appropriate in respect of accounts allocated to Resolution Officer.
5. To engage any lawyer, counsel or any other professional experts in any court of law or before any arbitrator or authority for and on behalf, of the Punjab Gramin Bank at its expenses.

The Punjab Gramin Bank hereby declares that this Power of Attorney has been given tofor the resolution of accounts allocated to them.

The Punjab Gramin Bank hereby acknowledges and accepts that the Power of Attorney is being granted to the Attorney, and in the event that the Attorney delegates such power to any other Person including its authorised representative/s, the powers conferred herein on the Attorney shall, without any further act, deed or instrument on the part of the Punjab Gramin Bank or the Attorney, be available and exercisable by such Person and/or authorised representative.

IN WITNESS WHEREOF, the executant has put his signatures thereto

Executants

1.

2.