

Compromise Policy 2025-26

1. Which is **incorrect** statement as per Loan Recovery Policy 25/2025? A) accounts should have completed 6 months from the date of NPA for OTS (other than Special OTS) b) When realisable value of security and Net worth of borrower and guarantor is sufficient to cover the dues minimum compromise amount is Book Liability +1.50% simple interest at MCLR on 1.4.2025 for wilful defaulters and Fraud cases. c) When parties are not willing to pay the compromise amount as per formula the proposals to be sanctioned by next higher authorities d) For settlement of accounts with book liability of Rs 1 cro and above proposals to be permitted by Head Office e) None of these
2. Which **does not** match with regard to formula for unapplied interest for non decreed cases under OTS? a) SSA – One Year MCLR on 1.4.25 + 1.25% or contractual rate with penal rate if any (which ever is less) on simple basis on book liability b) DA - One year MCLR on 1.4.25 minus 1.50% or contractual rate with penal rate if any (which ever is less) on simple basis on book liability c) Loss – One year MCLR minus 3.50 or contractual rate with penal rate if any (which ever is less) on simple basis on book liability d) All match correctly e) All of these
3. As per compromise policy of the bank for 2025-26 in a account sacrifice works out to Rs 40 lac. The account is in a branch coming under a RO which is headed by DGM. The loan was last sanctioned by DGM CO CAC. Who is the sanctioning authority of the compromise proposal? a) AGM RO CAC b) DGM RO CAC c) DGM CO CAC d) DGM RO e) None of these
4. Which is **ODD man** out with regard to time line for payment of OTS amount (other than Special OTS)? 1) RO Sanction – 3 months 2) Branch Sanction – 3 months 3) Circle Sanction – 6 months 4) HO sanction 18 months a) 1 to 4 all b) 2 only c) 4 only d) None of these e) All of these
5. What is **not** correct with regard to the interest to be charged with regard to payment of OTS amount? a) Within the permitted time 1 year MCLR on 1.4.2025 +1.50% simple from the date of conveying the sanction till payment b) Authorities at HO who has permitted the OTS has powers to condone the delay upto a period of 12 months with interest at one year MCLR on 1.4.2025 plus 1.50% compounded monthly c) OTS permitted by HO, Circle Head CAC can condone the delay upto 3 months by charging 1 year MCLR on 1.4.2025 plus 1.50% compounded monthly d) None of these
6. Which is the **odd man** in respect of Recovery committee constituted at HO as per HO Cir 352/2025? A) Wing Head of Recovery wing b) Wing Head of FM wing c) GM of SAM wing Vertical d) GM of General Admn & Credit monitoring e) None of these
7. Tick the correct Answer. A) Recommendations of Recovery committee at HO is valid for 6 months b) Settlement Committee recommendations are valid for 6 months c) Entrustment of Forensic audit to be placed to Recovery committee

- Circle d) Sale of assets to ARC to be routed through HO Recovery committee
e) All are correct
8. Which one of the following is **NOT** a correct Statement? a) All Compromise sanctions to be reviewed by Next higher review committee b) The periodicity of review is monthly in respect of all OTS c) ARM/SAM branch OTS sanctions to be reviewed by NH Review committee at CO before communicating the sanction to the borrowers d) None of these e) All are correct
9. Which is correct with regard to Special OTS Schemes for the year 2025-26? 1) For special OTS under EL loans should have been disbursed on or before 31.12.2027 and for short duration courses on or before 31.12.2020 2) Loans disbursed on or before 31.3.2020 are eligible for Special OTS for tractor and farm mechanisation under agriculture 3) For e ots the accounts should have been classified as Loss Assets 4) For Special OTS under Agriculture with combined liability upto Rs 2.00 lac loans should have been sanctioned on or before 31.3.2023 a) 1 to 4 all are correct b) 1 & 2 only are correct c) 3 only is correct d) 1 is not correct e) a to d none are correct
10. Which settlement formula **does not** match for Special OTS under MSME for the year 2025-26? a) In respect of NPA in doubtful category and if book liability is 150 lac and if the realisable value of the security alone is sufficient to recover the contractual dues, 95% of 150 lac is the minimum amount to be recovered b) For loss accounts with book liability upto Rs 1 lac, 30% of BL on the date of settlement to be recovered c) For the book liability of more than Rs 10 lac upto Rs 100 lac under DA when the Realisable value and net worth are not sufficient to cover the contractual dues 70% of the BL on the date of settlement to be recovered
11. Which of the following is **incorrect** Statement with regard to the compromise policy of the bank? a) Managing Committee of the Board is the authority to permit OTS in respect of accounts of wilful defaulters and fraud cases b) Loans availed by the employees or to which they stand as guarantor or co obligant while in service OTS to be permitted by MC of the Board c) For full write off with out any OTS the account should have completed 5 years or more from the date of sanction d) For loans sanctioned by CAC of the Board Circle Head can permit issue of legal notice e) Entrustment of cases for forensic audit to be routed through HO recovery committee
12. What is correct with regard to settlement advisory committee at HO? a) Quorum is two of which one of the members who is a retired judge to present b) Senior most judge of the committee is the Chairman of the committee c) The number of members in the committee as per guidelines is 5 d) All OTS proposals with sacrifice amount of Rs 1 cro and above to be routed through the committee