HEARTY WELCOME



LEARN TO LEAD
WITH BEST WISHES FROM L JAGENNATH

Compromise Policy of the Bank 2026-27



Compromise Policy

COMPROMISE POLICY OF THE BANK

Policy 125/2026 dt 07.04.2026

Cir 258/2026 dated 07.04.2026

Modifications: 311,312 and 327 of 2026

COMPROMISE POLICY

- ✓ **Compromise Policy Guidelines (other than Special OTS)**
- ✓ **NPA accounts completed minimum 6 months from the date of NPA and normally recovery / legal action initiated**

COMPROMISE

- ✓ How the compromise amount is arrived?
- ✓ Three Possibilities
- ✓ Realisable Value of Security (RVS) alone is sufficient to Recover the contractual or decretal dues in full
- ✓ RVS Plus Networth (NW) of the borrower, guarantor put together is sufficient to cover contractual or decretal dues in full
- ✓ RVS and NW of borrower & Guarantor Not Sufficient to cover contractual or decretal dues

COMPROMISE

Particulars	Points	Settlement Formula (One year MCLR)
RVS is sufficient to recover the contractual/decretal dues RVS – Realisable Value	8	Normally full amount. In case if party is paying less amount Book Liability plus simple interest at MCLR on 1.4.26 +1.50% p.a (2.50%) to be recovered
RVS+NW of Borrower and Guarantor sufficient	6	BL + SI at MCLR on 1.4.26 -0.50% (+1.50%) to be recoverd
RVS + NW of Borrower and Guarantor not sufficient	4	Recover Maximum amount possible

COMPROMISE

- ✓ **Simple interest to be calculated on reducing balance from the date of stoppage of interest on the account becoming NPA till the end of the quarter immediately prior to the date of submission of OTS proposal**
- ✓ **Eg NPA date 27.9.2025**
- ✓ **Stoppage of Interest 27.6.2025**
- ✓ **OTS date 10.10.2026**
- ✓ **Simple interest from 27.6.2025. till 30.9.2026**
- ✓ **NW certificate to be given by CAs with UDIN**

COMPROMISE

- ✓ At the time of negotiation for OTS for Non willful defaulters if
- ✓ Borrower died
- ✓ Sale of Property is very difficult due to litigation, disputed property etc
- ✓ Natural calamity leading to closure of business
- ✓ One E auction failed due to no bidders
- ✓ Maximum 2 points can be reduced for OTS
- ✓ The minimum marks should not be below 4

COMPROMISE

- ✓ **Parties not able to pay the amount as calculated above. Is there any Way Out?**
- ✓ **In exceptional cases OTS Proposals to be placed before Next Higher Authority (NHA) upto Circle Head Powers – HO Power to be placed to RSAs.**
- ✓ **Accounts with book liability of Rs 1 cro and above where adequate securities are available to cover the contractual /decretal dues and Parties are willing to pay either as per the formula or lesser, then the OTS proposal upto Circle Head CO CAC to be placed to GM/CGM HO CAC. No authority upto Circle Head has power except under Special OTS**

COMPROMISE

- ✓ If OTS involves release of securities in stages, upon payment of OTS amount in stages may be considered by OTS sanctioning authority.
- ✓ To be ensured that the balance available security to cover the unpaid OTS amount
- ✓ Part release is permitted after receiving the market value as per the latest valuation report.

COMPROMISE

- Release of Guarantor with or without release of the security created by them:
- Other than HO monitored
- Accounts — Circle Head CAC
- HO Monitored accounts — CGM/GM HO CAC
- Willful and Fraud — MC of the Board
- The offer by the guarantor to be considered as OTS though remedy from borrower and other guarantor continues

COMPROMISE

- ✓ **Amount to be recovered from Guarantor:**
- ✓ **Same formula for borrower – RSV is sufficient etc (Ref table)**
- ✓ **Any deviation to be placed to NHA**
- ✓ **For HO monitored accounts to be referred to CGM/GM HO CAC**

COMPROMISE

- ✓ **Release of Security without releasing the personal guarantee:**
- ✓ **The OTS amount should not be less than the market value of the security as per the latest valuation report which is not more than one year old as on the date of proposal or the total dues in the account whichever is less.**
- ✓ **Delegation: Same as release of guarantor with or without release of security**

COMPROMISE

- ✓ **Release of Security without releasing the personal guarantee:**
- ✓ **The OTS amount should not be less than the market value of the security as per the latest valuation report which is not more than one year old as on the date of proposal or the total dues in the account whichever is less.**
- ✓ **Delegation/deviation etc Same as release of guarantor with or without release of security**

COMPROMISE

- **Settlement of CGTMSE covered accounts:**
- **Before receipt of 1st claim amount – not less than the guaranteed amount to be recovered under OTS**
- **After receipt of 1st claim amount: Maximum possible amount to be recovered based on net worth of borrower, realizable value of security etc.**

COMPROMISE

- ✓ **Who is the authority to settle OTS Proposals of Willful defaulters and Fraud Cases for credit sanctions upto Board CAC:**
- ✓ **MC of the Board – In exceptional cases after all recovery measures are exhausted.**
- ✓ **For credit sanctions by MC of the Board OTS proposals to be placed to Board of Directors**

COMPROMISE

- ✓ **Whether OTS can be considered for EX Employees:**
- ✓ **Normal OTS is applicable to them for the loans sanctioned to them as well as for the loans in which they are Co obligant/guarantor provided such loans were sanctioned to them after they cease to be in the services of the bank.**
- ✓ **For loans sanctioned to employes or to loans for which they were co obligant / guarantor when they were in service OTS to be permitted by CAC of the Board. Details of terminal benefits received and the loss to be mentioned in the proposal**

COMPROMISE

- ✓ **What is Unapplied Interest for OTS purpose for internal purpose?**
- ✓ **From the date of stoppage of interest till the end of the quarter immediately prior to the date of submission of OTS proposal.**
- ✓ **It is for internal use to determine the sanctioning Authority.**
- ✓ **Decreed and Non Decreed Accounts**
- ✓ **SSA and DA Account**

Unapplied Interest - SSA

Category of NPA	Unapplied Interest
Sub Standard – Non Decreed	One Year MCLR as on 1.4.2026 plus 1.25% or contractual rate including penal charges if any (which ever is less) on simple basis on Book Liability
SSA – Decreed	The above rates till date of suit and from date of suit the rates awarded by the court or the above rate which ever is less

Unapplied Interest - DA

Category of NPA	Unapplied Interest
Doubtful – Non Decreed	One Year MCLR as on 1.4.26 minus 1.50% or contractual rate including penal charges if any (which ever is less) on simple basis on Book Liability
DA – Decreed	The above rates till date of suit and from date of suit the rates awarded by the court or the above rate which ever is less

Unapplied Interest – Loss Asset

Category of NPA	Unapplied Interest
Loss – Non Decreed	One Year MCLR as on 1.4.2026 minus 3.50% or contractual charges including penal interest if any (which ever is less) on simple basis on Book Liability
Loss – Decreed	The above rates till date of suit and from date of suit the rates awarded by the court or the above rate which ever is less

Un Applied Interest Example

- ✓ **SSA Non Decreed Account example**
- ✓ **NPA date 1.10.22 OTS Proposal 1.8.26**
- ✓ **Contracted rate 9% Penal rate 2% = 11%**
- ✓ **One Year MCLR 1.4.26 is 8.70%**
- ✓ **8.70% (168/2026) Plus 1.25% = 9.95**
- ✓ **From Stoppage of interest till 30.6.26 at 9.95% Simple interest to be calculated on Book Liability**

SACRIFICE AMOUNT

- ✓ **Sacrifice Amount:**
- ✓ **Book Liability + Unapplied interest (as per formula) minus the OTS amount offered by the party or**
- ✓ **Write off + Waiver of unapplied interest**
- ✓ **If borrower paid any amount after the account becoming NPA and the amount paid is appropriated toward interest such amount to be considered as recovery of unapplied interest at the time of OTS**
- ✓ **Delegation depends upon the sacrifice amount**

SACRIFICE AMOUNT

- ✓ **Delegation for Compromise:**
- ✓ **Higher of the following authorities to permit the compromise proposal**
- ✓ **Authority based on sacrifice as per table**
- ✓ **Or**
- ✓ **Authority one level higher than the authority who has last sanctioned /renewed the credit facilities**
- ✓ **If the credit facilities are sanctioned by MC of the Board, OTS proposal to be placed before Board of directors**

SACRIFICE AMOUNT

- ✓ **EG: DGM RO CAC Power for compromise Rs 50 lac.**
- ✓ **In a proposal compromise amount comes to Rs 50 lac**
- ✓ **The last renewal of the loan based on delegation of credit sanctions done by DGM CO CAC.**
- ✓ **So this compromise proposal to be placed to GM CO CAC**

Delegation of Powers

Rs in lac

Write Off & Unapplied int (Put together)	GM/CGM HO	ED CAC	CAC of Board	MC of the Board
Non Wilful, Non Fraud	300	400	1200	Full Powers
Wilful	No Power	No Power	No Power	Full Powers
Fraud & Quick Mortality for sanctions upto CAC of Board	No Power	No Power	No Power	Full Powers
Fraud & Quick Mortality for sanctions by MC			Full Powers	

COMPROMISE DELEGATION

Write Off & Waiver of Unapplied Int Non Wilful, Non Fraud and Non Quick Mortality Cases Rs in lac

DM RO Head CAC	AGM RO CAC	DGM RO CAC	AGM CO CAC	DGM CO CAC	GM CO CAC	CGM CO CAC
40 DM RO CAC 10	40	50	40	60	85	100

VLB Rs 1 lac and ELB and specialised branches Rs 2 lac. (only DA>3 and loss accounts and waiver of Unapplied interest only) If Write Off involved the sanctioning authority RO and above authorities (ARM & SAM branches excluded)

Compromise delegation

- **DM ARM/SAM CAC Rs 10 lac**
- **AGM ARM/SAM CAC Rs 30 lac**
- **DGM ARM/SAM CAC Rs 50 lac**
- **Or Authority one level higher than the authority who last sanctioned / renewed the loan**
- **To be reviewed by NHA at Circle Office before conveying the sanction**

Compromise delegation

Other points in OTS

- **The sanctioning authority of the loan should not be part of any compromise committee. If the chairman of the committee is the sanctioning authority of the loan, then to be placed to NHA (Exception HO power accounts as HO Power accounts are routed through HO Recovery committee)**
- **Wherever borrower wants to close the account, which has already been written off in books of the Bank by way of settlement / full write off, with a purpose that their CIC status to be improved from OTS settled / Written off to 'Post Write off Closed', borrower shall pay sacrificed amount plus interest at contractual rate till the date. Recovery received in such accounts shall be credited using CBS FP 7522 only.**

OTS For Fully Written off Accounts and closed in CBS

When Borrowers approach for OTS

- **This will change the status from written off to Post write off settled in CIRs of CICs.**
- **Sanctioning Authority: Higher of the following authority:**
- **Authority based on sacrifice amount mentioned in the table or**
- **Authority one level higher than the authority who has last sanctioned or renewed the loan**
- **If the facility for permitted by MC of the Board to be placed to CAC of the Board**

.

Full Write Off Without any OTS

Delegated Authority	Write Off +waiver of Unapplied interest put together
RO Head CAC	Upto Rs 10000
CO Head CAC	Upto Rs 25,000
GM/CGM-HO-CAC	upto Rs. 300 lacs
ED-CAC	Rs.>300 lac upto 400 lacs
CAC of the Board	>Rs 400 lac upto Rs.1200 lacs
MC of the Board	>Rs 1200 lac

Accounts should have completed 5 years or more from the date of Sanction. NPA for 3 years and above. Should be loss assets as on 31st March Previous year. Permisson for Legal Action Waiver from appropriate authority to be in place and marked in CBS

COMPROMISE

- Delegation for Waiver of Legal Action: Liability Rs in lacs

DM RO Head CAC	40	CGM/GM HO CAC	150
AGM RO CAC	40	ED CAC	200
DGM RO CAC	50	CAC of Board	300
AGM CO CAC	40	MC of the Board	Full Power
DGM CO CAC	60		
GM CO CAC	85		
CGM CO CAC	100		

COMPROMISE

- Once LAW is permitted to be entered in CBS FP BA020 & CI 143
- Issue of Legal Notice
- RO/CO Heads can issue legal notice for all accounts under their delegated powers. HO power accounts Circle Head can issue
-

COMPROMISE

- **Recover maximum at the time of settlement (10% to 15%).**
- **Time line for Payment of OTS amount: Branch/ RO Sanction Max 3 months CO Sanction Max 6 months HO Sanction Max 18 months**
- **Branch/RO/CO sanctions for a longer repayment period within the overall 18 months –CGM/GM HO CAC to permit**
- **If 12 months have elapsed from due date as above OTS proposal to be considered afresh.**

COMPROMISE

- ✓ **Post dated cheques to be obtained.**
- ✓ **Interest on the compromise amount to be charged is one year MCLR prevailing on 1.4.2026 + 1.50% Compound from the date of conveying sanction till payment made though time as above is permitted**

COMPROMISE

- ✓ **Whether Interest can be waived When OTS amount is paid within the accepted period?**
- ✓ **If paid Within 3 months from the date of communicating the order till payment of OTS, interest can be waived for Branch/RO sanctions by respective authority.**
- ✓ **DGM CO CAC (DGM headed Circles) GM/CGM CO CAC can waive interest upto 6 months**
- ✓ **Authorities at HO can waive interest upto 18 months**

COMPROMISE

- **Who can condone the delay in payment of OTS amount permitted? (When OTS amount not paid within the agreed period)**
- **OTS Permitted by HO authorities (other than MC of the Board / Board) – Circle Head CAC can condone upto 3 months by collecting interest at one year MCLR on 1.4.26 plus 1.50% compounded monthly**
- **The respective authority at H O which has permitted OTS has powers to condone the delay upto a maximum period of 12 months with interest @ one year MCLR on 1.4.26 +1.50% compounded monthly or with partial / full concession in interest. Beyond 12 months proposals to be considered afresh**

COMPROMISE

- GM/CGM HO CAC can condone delay upto 6 months in respect of sanctions made by ED CAC and above with interest at one year MCLR plus 1.50% compounded monthly with partial/full interest concession
- ED HO CAC can condone delay upto 9 months in respect of sanctions made by Board CAC & MC of the Board with interest at one year MCLR plus 1.50% compounded monthoy with partial/full interest concession
- Board CAC can condone delay upto 12 months in respect of sanctions made by MC of the Board with interest at one year MCLR plus 1.50% with partial/full interest concession

COMPROMISE

- ✓ **OTS permitted by Circle Head CAC – Circle Head CAC can condone the delay upto 3 months by collecting interest at one year MCLR+1.50% compounded monthly. Beyond 3 months afresh**
- ✓ **OTS permitted by branch/RO/CO (other than CO head CAC) next higher authority at RO/CO can condone the delay upto 3 months by collecting interest at one year MCLR+1.50% compounded monthly. Beyond 3 months afresh**

COMPROMISE

- ✓ Prior approval of ECGC/CGTMSE etc is must and the same to be incorporated in the sanction.
- ✓ Inform CBI/Police & after 15 days Sanction to be communicated where such cases are pending
- ✓ Inform the court /DRT through Panel Advocate
- ✓ In the sanction – Minimum Period of 7 years the account will appear as settled in the records of CICs as per CIC regulation Act 2005
- ✓ Suit filed accounts – Sanction draft to be approved by Legal Section
- ✓ If OTS does not materialize in 2 offers recovery steps to be initiated without delay

COMPROMISE

- ☐ **Before considering OTS, at least one SARFAESI auction of eligible mortgaged properties should be attempted (SARFAESI sale stayed by court will also be treated as attempted sale) within one year with certain exceptions.**
- ✓ **Time Norms for disposal of OTS proposals**
- ✓ **Branch Power 7 days RO 15 days Circle 21 days HO 30 days**
- ✓ **Condonation of delay:**
- ✓ **Delay condonation at CO: 15 days**
- ✓ **Delay condonation at HO: 30 days**

COMPROMISE

- ✓ **Recovery Committee at HO**
- ✓ **All OTS proposals of HO Power to be placed before Recovery Committee first.**
- ✓ **With the recommendations of this committee only the proposals to be placed to respective committees who are delegated with powers**
- ✓ **The recommendations of the committee is valid for 6 months.**

✓

COMPROMISE

- ✓ **Members: CGM/GM of the following Wings: 311/2026**
- ✓ **Credit Administration and Monitoring (earlier CA & Recovery)**
- ✓ **Financial Management**
- ✓ **Operations**
- ✓ **GA Vertical**
- ✓ **Strategy, Resources and Govt Services**
- ✓ **Recovery Legal and Stressed Asset**
- ✓ **GM/DGM of RM Wing other than Wing Head**
- ✓ **Quorum shall be any three members other than Recovery and Stressed Asset Management Vertical of RL&SA Wing. Convenor DM/AGM of Recovery Vertical, RL&SA Wing**

COMPROMISE

- ✓ With the recommendations of this committee only the proposals to be placed to respective committees who are delegated with powers
- ✓ The recommendations of the committee is valid for 6 months.

COMPROMISE

- ✓ The following are also to be routed through the Recovery committee HO before placing to sanctioning authority
- ✓ Reserve price fixation for sale of assets to ARC /Securitisation companies
- ✓ Release of guarantors with or without release of securities
- ✓ Release of securities of guarantors without releasing the personal guarantee
- ✓ Entrustment of cases to forensic audit
- ✓ Purchase of Non Banking Assets by the bank

COMPROMISE

- ✓ **Settlement Advisory Committee – Two Retd judges of a High Court / Supreme Court, 2 former bankers not below the rank of ED of Nationalised bank or Deputy Managing Direct of SBI and one retired person from external agencies are members. The senior Most retired Judge is the chairman. Quorum: Two of which atleast one Judge is must**
- ✓ **Retired ED of Canara Bank / Syndicate bank can not be members**
- ✓ **So for no external member nominated. So as on date 4 members.**

COMPROMISE

- ✓ **All OTS proposals involving total sacrifice amount of Rs 1 cro and above and sale of assets to ARC/Banks involving similar sacrifice to be placed to this committee for views and then to the sanctioning authority**
- ✓ **The recommendations of the committee is valid for 12 months**

COMPROMISE

- ✓ **Format for submitting OTS Proposal: If sacrifice does not exceed Rs 50,000 in each account OTS proposal as per HO Cir 115/2013 and other cases NF 724**
- ✓ **RVS is as per valuation report given by panel valuer which should not be more than one year old as on the date of OTS. GM/CGM HO CAC can relax this condition. Branch to certify with Photo**
- ✓ **When two valuations to be obtained?**
- ✓ **If the original value of mortgaged property is more than Rs 5 cro – Two valuation to be obtained. Higher of the two to be considered.**

COMPROMISE

- ✓ **in respect of securities of immovable properties which were valued at more than Rs.2.00 Cr at the time of last sanction /renewal and the reduction in the present value is more than 30 % of the same, in such cases, to ascertain the exact valuation, 2 valuation reports should be obtained and analyzed for reduction in the value before placing to the competent authority for accepting OTS proposal.**

COMPROMISE

- ✓ **Guidelines on Issue of NO Due Certificate:**
- ✓ **If borrower pays the entire contractual dues**
- ✓ **If settled under OTS a clause that the borrower settled the dues under OTS is to be incorporated in the No due Certificate**
- ✓ **If fully written off without any OTS No due certificate not to be issued unless the dues are paid / settled later**
- ✓ **In respect of group accounts settled under compromise / OTS, unless the borrower repays amount under each account in terms of OTS, 'No due Certificate' should not be issued.**

COMPROMISE

- Release of Guarantor / Co obligant (personal guarantee) with or without release of securities created by them
- Accounts monitored by
- Head Office CGM/GM HO CAC
- Other than HO
- Monitored accts Circle Head CAC
- Wilful defaulters / Fraud MC

COMPROMISE

- **How much to be recovered from them?**

Realisable value of security in the name of guarantor sufficinet to cover the dues	Full amount. If not BL + SI at 1 year MCLR on 1.4.2026 + 1.50%
RVS + NW of guarantor is sufficient	BL + SI at 1 year MCLR on 1.4.2026 minus 0.50%
RVS + NW of guarantor not sufficient	Maximum to be recovered

- **For any relaxations to be placed before NHA**

COMPROMISE

- **Release of the security created by guarantor / co obligant without releasing personal guarantee**
- **Delegation same as release of personal liability with or without releasing the security.**
- **The amount offered should not be less than the market value of the security as per the valuation report not more than 1 year old as on the date of proposal or the total dues in the account whichever is lower**

COMPROMISE

- **Review of Compromise sanctions:**
- **All OTS to be reviewed by NHA review committee on a monthly basis**
- **Sanctions by ED CAC, CAC of the Board to be done by MC of the board on a quarterly basis**
- **OTS sanctions by DGM/AGM/DM CAC of ARM/SAM to be placed to next higher authority at CO before conveying sanction to OTS borrowers**

SPECIAL SCHEME FOR SETTLEMENT OF NPAs IN MSME 2026-27

- ✓ **NPAs classified as DA and Loss in MSME Sector with book liability (BL) of Rs 200 lac and below as on the date of settlement.**

SPECIAL SCHEME FOR SETTLEMENT OF NPAs IN MSME – 2026-27

- ✓ **SARFAESI Action initiated, Suit filed, decreed accounts are eligible**
- ✓ **Accounts covered in CGTMSE are not eligible**
- ✓ **Accounts where CGTMSE cover is rejected are eligible**
- ✓ **Willful defaulters and Fraud accounts not eligible**
- ✓ **Immovable securities if any should have been brought for auction atleast once before OTS.**
- ✓ **Scheme will be inforce from 1.4.2026 to 31.3.2027.**

SETTLEMENT FORMULA DA ACCOUNTS MSME 2026-27

Security/NW	BL upto Rs 10 lac	>10 lac upto 100 lac	>100 lac upto 200 lac
RV alone sufficient to cover the total dues	85% of BL on the date of Settlement	90% of BL on the date of Settlement	95% of BL on the date of Settlement
RV + NW is sufficient	65% of BL on the date of Settlement	75% of BL on the date of Settlement	80% of BL on the date of Settlement
RV+NW not sufficient	55% of BL on the date of Settlement	70% of BL on the date of Settlement	75% of BL on the date of Settlement

SETTLEMENT FORMULA LOSS ACCOUNTS MSME 2026-27

BL upto Rs1 lac	>1 lac upto Rs 10 lac	>10 lac upto 100 lac	>100 lac upto 200 lac
30% of BL on the date of Settlement	35% of BL on the date of Settlement	45% of BL on the date of Settlement	50% of BL on the date of Settlement

SPECIAL SCHEME FOR SETTLEMENT OF NPAs IN MSME – 2026-27

- ✓ For total dues upto Rs 10 lac Branch in charge can decide about the value of the securities
- ✓ If total dues is more than Rs 10 lac, the value to be backed by a valuation report given by panel valuer not older than 1 year from the date of proposal
- ✓ 25% recovery at the time of settlement balance 75% within 3 months in 3 equal instalments
- ✓ Another 3 months time is permitted with interet at one year MCLR as on 1.4.26 +0.50% from the date of OTS sanction till final payment

OTS for Agriculture NPA Accounts

- ✓ 628/2024 Reproduced in Loan Recovery Policy -
- ✓ Sanctioned agriculture Limit upto Rs 50 lac for a borrower under agriculture (Combined)
- ✓ In NPA for more than 12 months from the date of NPA
- ✓ Repeatedly Restructured Accounts (RRA) under Sub standard upto combined sanctioned limit of Rs 5 lac also eligible after 6 months from the date of NPA
- ✓ RRA – restructuring has been done atleast two times before becoming NPA

OTS for Agriculture NPA Accounts

Loans sanctioned upto Rs 5 lac - DA and loss & Repeatedly Rest accounts in SSA after 6 months of slipping to NPA	Original Loan amount disbursed less Recoveries including recoveries ADR
Loans sanctioned above Rs 5 lac upto Rs 25 lac	DA1 – Original loan disbursed plus 6% (7%) SI from date of disbursement till previous quarter Plus expenses minus recoveries including ADR
Loans sanctioned above Rs 5 lac upto Rs 25 lac	DA2 – Original loan disbursed plus 4% (5%) SI from date of disbursement till previous quarter Plus expenses minus recoveries Including ADR
Loans sanctioned above Rs 5 lac upto Rs 25 lac Fig in bracket for more than 25 lac upto 50 lac	DA3 – Original loan disbursed plus 3% (4%) SI from date of disbursement till previous quarter Plus expenses minus recoveries

OTS for Agriculture NPA Accounts

Loan	Settlement Formula
>5 lac upto 50 lac Loss Assets	Original Loan amount disbursed less Recoveries including recoveries ADR

OTS for Agriculture NPA Accounts

- ✓ Granting Need Based Finance to borrowers who have settled their loan under the above formula
- ✓ Non Wilful defaulters -Weaker Section – for gainful activities
- ✓ KCCs facility
- ✓ Maximum fresh loan as per Scale of finance or the original sanctioned loan amount of OTS settled account which ever is less
- ✓ After 7 days of payment of all dues as per OTS
- ✓ Respective sanctioning authority delegated with Powers to sanction KCCs loans.
- ✓ CBS FP CIX 14 to be used for enabling Custid for granting the loan
- ✓ All terms and conditions of KCCs to be complied with

Special OTS for Small Value NPAs 2026-27

- ✓ **Small Value NPAs: 1.4.26 to 31.3.27**
- ✓ **DA and Loss – Outstanding for more than one year as NPA**
- ✓ **BL Rs 50 lac or below as on date of NPA**
- ✓ **Total loan/limit sanctioned not more than Rs 50 lac per borrower (all loans inclusive)**
- ✓ **Suit filed, Decreed, Non Suit filed, Legal Action Waived, SARFAESI Action initiated including CANCARD liability are eligible**

Special OTS for Small Value NPAs 2026-27

- ✓ **GL, HL, Canara Mortgage & Canara Rent loans are not eligible**
- ✓ **Canara Budget and other salaried accounts are covered provided no chance of recovery or the borrower is not having salary for a long period**
- ✓ **Willful defaulters & Fraud accounts are not eligible**

Special OTS for Small Value NPAs Settlement Formula 2026-27

BL as on date of NPA	Upto Rs 25000	>25000 upto 5 lac	>5 lac upto Rs 10 lac	>10 lac upto 25 lac	>Rs 25 lac upto Rs 50 lac
DA 1	60% of BL as on date of Settlement	80% of BL	85% of BL	90% of BL	NA
DA>1-3	50%	70%	75%	80%	NA
DA>3	45%	60%	65%	70%	75%

Vehicle loan if RVS less than the stipulated amount as above, realisable amount to be recovered. Settlement formula is BL on the date of settlement.

Special OTS for Small Value NPAs 2026-27

Loss Asset BL as on the date of NPA	Settlement Formula BL on the date of Settlement
Upto Rs 25000	Maximum Possible Amount
>25000 upto Rs 2.00 lac	Atleast 25% of BL
>2 lac upto Rs 5.00 lac	Atleast 45% of BL
>Rs 5 lac upto Rs 10 lac	Atleast 55% of BL
>Rs 10 lac upto Rs 25 lac	Atleast 65% of BL
>Rs 25 lac upto Rs 50 lac	At least 70% of BL

Special OTS for Small Value NPAs 2026-27

- ✓ **10% to 15% of the OTS amount may be insisted at the time of settlement and balance OTS amount to be recovered within 3 months in three monthly instalments from the date of communication of settlement without interest.**
- ✓ **Prior approval from ECGC/DICGC/CGTMSE**
- ✓ **Subsidy, ECGC/DICGC/CGTMSE claims etc., are over and above settlement amount**
- ✓ **Delegation as per loan recovery policy**

Special OTS for EL 2026-27

- ✓ EL upto a sanctioned limit of Rs 7.50 lac with no security- Scheme valid from 1.4.26 to 31.3.27
- ✓ DA & Loss Assets as on the date of settlement only are eligible
- ✓ Disbursed before 31 12.2018 – Short duration courses (upto 2 years) before 31.12.2021 are eligible
- ✓ EL on stand alone basis can be considered irrespective of other loans of borrowers / guarantors
- ✓ Student borrower earning more than Rs 25000 PM not eligible
- ✓ Loans covered under CGFSEL/CGFSSD not eligible

Special OTS for EL Settlement Formula (for Restructured Accounts) 2026-27

BL upto 150% of limit Sanctioned	70% of BL on Settlement date
>150% upto 200%	55%
>200% upto 250%	45%
>250%	35%
Student died	25%

Special OTS for EL Settlement Formula Non Restructured Accounts 2026-2027

Combined NW of all parties above Rs 25 lac	95% of BL on the date of settlement
Above 10 – 25 lac	90%
Above 5 - 10	85%
<5 lac	80%
Student is died	50%

10% to 15% on the date of settlement Balance within 3 months without any interest

Sanctioning authority – As per loan recovery policy

Special OTS for Tractor and Farm Mechanisation Loans under Agri 2026-27

- ✓ NPA accounts more than 12 months old from the date of NPA
- ✓ Disbursement on or before 31.3.2021
- ✓ Land holding not more than 16 acres
- ✓ Original loan not to exceed Rs 10 lac
- ✓ Stand alone basis irrespective of other loans can be considered for settlement
- ✓ 1.4.26 to 31.3.27 is the validity of the scheme
- ✓ Sanctioning authority as per Loan Recovery Policy

Special OTS for Tractor and Farm Mechanisation Loans under Agri Settlement Formula 2026-27

Loans Disbursed upto	Settlement Formula
31.3.2018	Base amount
From 1.4.2018 to 31.3.2021	Base amount + 1year MLCR as on 1.4.2026 minus 5.50% Simple

Base amount = Amount disbursed + Expenses – Recoveries – Relief under ADW & DR Scheme. 10 to 15% to be recovered on the date of settlement and balance within 3 months without any interest

Online one time OTS (eOTS) 2026-27

- ✓ **Book Liability upto Rs 10 lac classified as Loss Assets (657/2026 – earlier more than Rs 25000 upto Rs 10 lac)**

- ✓ **Suit filed accounts, decreed accounts, non suit filed accounts, Legal Action waived accounts, Can card dues, Non wilful non fraud cases are eligible**

- ✓ **Canara Budget and other salaried accounts are eligible**

Online one time OTS (eOTS) 2026-27

- ✓ **GL, HL, EL, Canara Mortgage and Canara Rent not eligible. SARFAESI action eligible accounts not coverd.**
- ✓ **Accounts covered under CGFMU, CGTMSE etc are not eligible**
- ✓ **Staff accounts and loans availed by employees and for loans to which employees are guarantor in service not eligible**

Online one time OTS (eOTS) 2026-27

- ✓ **Settlement Formula:**
- ✓ **BL >Rs 25000 upto Rs 2 lac 25% of BL**
- ✓ **BL>Rs 2 lac upto Rs 5 lac 45% of BL**
- ✓ **BL >Rs 5 lac upto Rs 10 lac 55% of BL**
- ✓ **Min 10% on settlement and balance in 3 monthly instalment**
- ✓ **CGM/GM HO CAC is construed as sanctioning authority**

Online one time OTS (eOTS) 2026-27

- ✓ **Sanction letter can be downloaded on payment of 10% or full amount.**
- ✓ **No due certificate can be downloaded on payment of full OTS amount**
- ✓ **Ack can be downloaded for each payment**
- ✓ **All transactions will be reflected in the books on T+1 day basis.**
- ✓ **Branches/RO/CO/HO can generate relevant reports in Stressed Assets Follow up and Litigation Solution (SAFAL) (SAS Package)**

Special OTS for NPA Under Agri 26-27

- ✓ Single or combined sanctioned limits upto Rs 2.00 lac where no collateral security available:
- ✓ Account should have been sanctioned on or before 31.3.24
- ✓ Accounts should have been repeatedly restructured minimum 2 times
- ✓ Accounts should have been classified as Sub Std and more than 3 months old.
- ✓ SSA other than RRSA not eligible
- ✓ All DA and Loss assets

Special OTS for NPA Under Agri 26-27

- ✓ GLs, ALVSLs, Tractor loans, loans secured by movable / immovable properties, deposits and approved securities are not eligible
- ✓ Valid from 1.4.26 to 31.3.27 – Settlement Formula

SSA (minimum 2 times RRAs)	Sanctioned amount +5% SI
DA1	50% of BL on the date of settlement
DA2	35% of BL on the date of settlement
D3 & Loss	25% of BL on the date of settlement

Special OTS for NPA Under Agri 26-27

Sanctioning Authority Irrespective of Sacrifice Amt:

- DM RO CAC (other than RO Head CAC) Recovery
- Members: DM overseeing recovery Chairman
- Other DM of RO or any other Scale 4
- nominated by RO
- SM / Mgr of Assurance Section and
- Recovery Section at RO
- Quorum: 2 of which Chairman & SM/Mgr Recovery Section
- To be reviewed by individual authority at RO ie AGM RO – every month

Special OTS for NPA Under Agri 26-27

- ✓ 10% to be paid at the time of settlement
- ✓ 25% within in 30 days from the date of conveying the sanction
- ✓ 3 months time may be allowed to pay the balance amount

Special OTS for NPA Under Agri 26-27

- Unapplied interest and Sacrifice to be calculated as per Loan Recovery Policy
- Request letter received from the borrower to be disposed off within 15 days from the date of receipt
- Fresh Loan: Borrowers under Weaker Section are eligible for Rs 50,000 after 3 months from closure of the loan under settlement as per policy.

Special OTS for NPA Accounts where recovery suits are pending for more than 5 years (NEW)

- ✓ NPA prior to 31.3.2020 and classified as DA or Loss Suits are pending for 5 years with BL upto Rs 500 lac
- ✓ NPA accounts without landed securities or with Agri land as securities:
- ✓ Settlement Formula:
- ✓ NPA without landed property as security
- ✓ BL Upto Rs 25 lac — 50% of the BL
- ✓ >25 lac upto Rs 100 lac — 60% of the BL
- ✓ >100 lac upto Rs 200 lac — 75% of the BL
- ✓ >200 lac upto Rs 500 lac — Book Liability

Special OTS for NPA Accounts where recovery suits are pending for more than 5 years (NEW)

- ✓ **Agri NPA with Agri land as security:**
- ✓ **BL upto Rs 10 lac — Base Amt**
- ✓ **>10 lac upto Rs 25 lac — Base Amt+3% SI**
- ✓ **>25 lac upto Rs 50 lac — Base Amt + 4% SI**
- ✓ **>50 lac upto Rs 200 lac — Base Amt + 5% SI**
- ✓ **> 200 lac upto Rs 500 lac — Base Amt + 6% SI**
- ✓ **Base amt: Original loan disbursed – Recoveries + Legal expenses incurred**

Special OTS for NPA Accounts where recovery suits are pending for more than 5 years (NEW)

- ✓ **10% immediately – balance within 90 days**
- ✓ **Circle Head can permit another 3 months with penalty at 1 year MCLR on 1.4.2026 +1.50% compound**