

Date: 06-01-2023**Responses to bidders' queries:**

| Sl.No | Page No. of RFP | Clause No. | RFP Clause | Bidder's Query | Bank's Response |
|-------|-----------------|---|---|---|---|
| 1 | Page No. 26 | Annexure 2 - Bid Covering Letter Format | If our offer is accepted, we undertake to provide Technical consultancy / Service support / Guidance for the solution supplied as per the above referred RFP, during contract period. We enclose a Demand Draft /Bank Guarantee in lieu of EMD for Rs.3,00,000.00/- in favour of Karnataka Vikas Grameena Bank as EMD | Our organisation is registered as a "Medium" entity under MSME Act of Govt, of India, Request Bank to waive off the tender fee as per GFR 2017 Guidelines - Rule No. 161 wherein it is mentioned that MSME's should be exempted from payment of tender fees and EMD | MSMEs are exempted from submission of EMD. However, supporting document should be submitted by the bidder |
| 2 | Page No. 28 | Annexure 3 - Eligibility Criteria Declaration , Clause e) | Proposed Solution of proposed OSM should have been implemented (not necessarily bidder) in any Scheduled Commercial Banks/ RRB/ Private Banks (i.e. from 01/04/2019 to 31/03/2022) | Request Bank to modify the clause as mentioned below: Proposed Solution of proposed OSM should have been implemented (not necessarily bidder) in any Scheduled Commercial Banks/ RRB/ Private Banks (i.e. from 01/04/2015 to 31/03/2022) | Bidder to Comply RFP terms. |

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| 3 | Page No. 28 | Annexure 3 - Eligibility Criteria Declaration , Clause g) | The OEM & Bidder should be in business of Development / Manufacturing / Selling Corporate NPA Management Solutions / Collaborative Platforms for the immediate preceding three years in India | Request Bank to modify the clause as mentioned below: The OEM & Bidder should be in business of Development / Manufacturing / Selling Corporate NPA Management Solutions / Collaborative Platforms for the immediate preceding <u>seven</u> years in India | Bidder to Comply RFP terms. |
| 4 | | General Queries | The solution must have functionality for exporting & importing MIS reports in spread sheet, pdf etc. formats. | <ul style="list-style-type: none"> * What are the sections/scenarios where Import is required in the application ? * How many Imports are required in the application ? * What is the maximum size for Imports are required in the application ? * What are the allowed formats for Imports are required in the application ? * Is there any encryption mechanism desired while import/export ? * Does Bank have any pre-built encryption mechanism for import/export to be integrated? * Does Bank have any pre-built encryption | Loan accounts data fetched from CBS shall be imported to the application. Templates shall also be imported. Maximum Size of raw data files which will be imported to application will be upto 20GB. Solution shall support txt, xls, xlsx, csv, pdf, doc, docx for both import and export. Bank does not have any pre-built encryption mechanism for import/export. Bidder shall support atleast AES 256 bit encryption for the data in transit and at rest. |

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| | | | | mechanism for import/export ? | |
| 5 | | General Queries | The selected bidder should handover the complete data pertaining to Bank after completion of contract period or upon termination in open readable format such as .xlsx, .pdf, .docx etc. Once the data is handed over, the vendor/service provider shall erase all the data including the backup permanently which are under the custody of the service provider. | Need exact details in what formats data to be received, kindly elaborate on etc. part. | Bidder shall provide the data extracted from Database in .csv, .txt file and DB exported data file format . Letters/notices generated during contract period shall be provided in .docx and .pdf formats. |
| 6 | | General Queries | The selected bidder should handover the complete data pertaining to Bank after completion of contract period or upon termination in open readable format such as .xlsx, .pdf, .docx etc. Once the data is handed over, the vendor/service provider shall erase all the data including the backup permanently which | Export backup of the application user database will be provided will that suffice or it is insisted to have export in excel, pdf? | Bidder shall provide the data extracted from Database in .csv, .txt file and DB exported data file format . Letters/notices generated during contract period shall be provided in .docx and .pdf formats. |

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| | | | are under the custody of the service provider. | | |
| 7 | | General Queries | The selected bidder should conduct vulnerability assessment and penetration testing (VAPT) of their infrastructure through CERT-IN empaneled vendors and mitigate the vulnerabilities if any. The report has to be submitted to the Bank every half year | We can provide the assistance to bank in VAPT point clearance however the same need to be done by bank on their own cost. | Please refer the amendment 1. |
| 8 | | General Queries | "The solution should be bug free without any back door to the hacker and the selected bidder should submit the code audit report as and when changes are carried out in the software. | Our solution is bug free. The Audit parameters may change organization to organization, our Audit clearance may or may not be adequate safety measure as per your organization need. We can provide assistance to your bank in closing any your organization Audits observations for our application, if there are any other expectations kindly specify | Source code audit shall be done by the bidder as and when changes in application is carried out and certificate to that extent shall be submitted to the bank. |

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| 9 | | General Queries | | Support team is available to resolve the issues raised in the mutually agreed timelines. Request Bank to let us know if there are any other expectations | Bidder to comply to Point no. 39 of Annexure - 9 (Technical Specification) of ATC. |
| 10 | | General Queries | The solution should have PKI based authentication mechanism under the hierarchy of the controller of certifying authority (CCA).29. The solution should have separate test, development, and production environment. | * Why PKI based auth only is suggested, Does bank considers LDAP, Active directory good authentication mechanism? * Does bank has secured LDAP, secured Active directory authentication mechanism available to the bank that can be used for Integrated Authentication? * The environment (UAT, Development, Prod and DR including OS, Database, Excel)cost to be considered by the Bank | Bank presently does not have Active Directory services. Solution should support AD integration if implemented by bank in future for authentication. |
| 1 | 7 | 7.2 | Detailed technical specification and requirement for each of the above is furnished in Annexure-9 and Annexure-10 . All the Services ordered for the Selection of Service Provider for | Note: Annexure 10 is referred as Integrity Pact in RFP. Please clarify, Annexure-10 referring Integrity Pact doc or Annexure -10 not included | Integrity Pact has been separately uploaded in the RFP. Please refer Point no. 4 Generic in Page 4 of GeM bidding document. |

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| | | | the Implementation of NPA Management Solution in Hosted (OPEX) Model should be available for 3 Years. | in the RFP. | |
| 2 | 7 | 8.1 | Scope of work: Bidder has to confirm compliance with the Scope of Work mentioned in Annexure-10. | We request the bank to give a more clarity in scope of work. We would like to request Annexure 10 from the Bank. It's not included in the RFP. Note: Annexure 10 is referred as Integrity Pact in RFP. | Amendment: Scope of Work Bidder shall provide compliance to Annexure - 9 (Technical Specification document) of ATC. |
| 3 | 7 | 8.2.1 | 8.2. Project Completion and Management 8.2.1. For smooth completion of project the Bidder should identify one or two of its representatives at Dharwad as a single point of contact for the Bank. | The resource deployed during the implementation phase will be present until Go Live. Following project completion, there will be no onsite resources during the contract period. We request the bank to clarify this? | Onsite resources shall be required only during the implementation phase. Post implementation, online support is required as per Point no. 39 mentioned in Annexure-9 of ATC (Technical specification) |

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| 4 | 9 | 18.2 | <p><u>Bidders Presentation /Site Visits / Product Demonstration/POC</u></p> <p>As a Part of Technical Evaluation based on the technical bids submitted by the Bidders, Bank at its discretion may call the Bidders for conducting POC (Proof of Concept) of the NPA Management Solution in Hosted (OPEX) Model proposed by them. This exercise will be undertaken before opening of the Commercial Bids of the Bidders whose Part B-Technical proposals has been opened. PoC Checklist for NPA Management Solution in Hosted (OPEX) Model is mentioned in Appendix-G.</p> | <p>We request that the bank not consider POC. In any of the recent RFPs issued by PSU banks for NPA management, no POC was requested during the technical evaluation. During the POC, the Bidder team puts in a lot of effort.</p> <p>OR</p> <p>In this RFP. The Bank has not come out with their POC expectation. we request the bank to consider POC mutually agreed terms from Bidder</p> | <p><u>Amendment: Bidders Presentation /Site Visits / Product Demonstration/POC</u></p> <p>As a Part of Technical Evaluation based on the technical bids submitted by the Bidders, Bank at its discretion may call the Bidders for providing presentation or Product walkthrough & Site visit of the NPA Management Solution in Hosted (OPEX) Model proposed by them. This exercise will be undertaken before opening of the Commercial Bids of the Bidders whose Part B-Technical proposals has been opened.</p> |
| 5 | 9 | 18.5 | <p>Setting of evaluation criteria for product demonstrations shall be entirely at the discretion of the Bank. The decision of Bank in this regard shall be final and in this regard, no correspondence shall be entertained.</p> | <p>There are no Technical Evaluation criteria or marks for qualifying for Commercial in this RFP.</p> | <p>Bidder to comply all the technical specifications stipulated in RFP for qualifying of commercial bid.</p> |
| 6 | 10 | 19 | <p>Normalization of Bids</p> | <p>We request the bank to provide more details on this during the phase of evaluation</p> | <p>Details will be shared during evaluation.</p> |

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| 7 | 11 | 22.2 | The L-1 bidder will be determined on the basis of the lowest price quoted in the commercial bid on total cost of ownership. | There are no Commercial Evaluation criteria or marks for qualifying for Commercial in this RFP. | Bidder to comply all the technical specifications stipulated in RFP to qualifying for commercial bid. |
| 8 | 15 | 36 | 36.1. Payment schedule will be as under: Payment will be on a quarterly basis in arrears after complete implementation by deducting applicable LD if any and taxes. | We request Bank to consider payment schedule as mentioned below: 1. One time Cost of implementation, Data Migration, Training, Hardware setup cost Note: One Time Cost needs to be released with PO with 50% advance. 2. Quarterly Payment has to be released in advance of each quarter. | Refer Amendment 1 |
| 9 | 17 | 38.4 | The onsite support person should be OEM certified engineer of the proposed solution. | We request the bank not to consider onsite Support Engineer after Go live. Since the project in Opex model. Bidder can provide support from remote during 10 AM to 6 PM on all Bank working hours | The bidder should provide helpdesk from 10.00 AM to 7.00 PM through e-mail and telephone on all working days of the Bank. |
| 10 | 17 | 38.3 | The Support should be available from 6.00 AM to 6.00 PM on all working days of the Bank. | The Support should be available from 10.00 AM to 6.00 PM on all working days of the Bank. | The bidder should provide helpdesk from 10.00 AM to 7.00 PM through e-mail and telephone on all working days of the Bank. |

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| 11 | 14 | 40 | Training: Bidder has to provide hands on OEM training to few identified Bank officials which should cover in-depth operational and troubleshooting features of the solution. The training should be held in Dharwad. Bidder has to provide user manual and Technical documentation both in hard and soft copies to the Bank. | Training will be a one-time event for the bidder. We believe the bank will train their user through a Train the Trainer programme. If the bidder is to provide separate training, a separate commercial will be submitted. | Bidder shall provide one Time training as per the clause 40. |
| 12 | 28 | Annexure 3-J | Certification Requirements (as mentioned in the Scope of this RFP) | We request the bank to provide more details on this during the phase of evaluation | Meity approval certificate of the cloud service provider shall be submitted by the bidder. |
| 13 | 36 | Annexure 9 - 4 | The solution should be able to generate SARFAESI notices (Kannada & English) mentioning total liabilities, details of borrowers, co-borrowers/co applicant, guarantors, firm name, date of NPA, date of recall notice, property details etc. as per the provisions under SARFAESI act. The solution should generate email alerts to the Branch, RO and HO officials for SARFAESI eligible accounts under each stage of SARFAESI. | We request bank to clarify in regards who will update on this each stage of SARFAESI, is it Bank official or Service provider, or Advocate? Is the solutions looping e-court integration for the proceeding updates? | Refer the SARFAESI work flow document attached in the Amendment 1. |

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| 14 | 36 | Annexure 9- 7 | The Solution should be accessible through web browser and through Mobile Application (Android and ios based) | We request the bank to provide more details on Mobile application feature / Functionality | The mobile application should support upto 700 users, listing accounts with current status, search option, Option for geo-tagging the customer address (location), updation of recovery efforts and commitments given by borrower, triggering alerts for follow ups in future, status of any legal action initiated. |
| 15 | 36 | Annexure 9- 8 | 8. The Mobile App should dynamically display the location of Borrower based on the available address. | We request the bank to provide more details on Mobile application feature / Functionality | The mobile application should support upto 700 users, listing accounts with current status, search option, Option for geo-tagging the customer address (location), updation of recovery efforts and commitments given by borrower, triggering alerts for followups in future, status of any legal action initiated. |
| 16 | 36 | Annexure 9- 9 | 9. The Mobile App should have provision to update LAT- LONG for each borrower manually and to update dynamically during visit. | We request the bank to provide more details on Mobile application feature / Functionality | Option to set the customer location using geo-tagging on Google map. |

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| 17 | 36 | Annexure 9 - 10 | 14. The Solution should generate and deliver all types of notices mentioned above through instant messenger such as WHATSAPP in Kannada language atleast twice in a week till account regularization/closure. | We request the bank to provide Whatsapp API to integrate in our proposed solution to deliver all type of notice and Bank is responsible for Whatsapp Subscription charges. We request bank to provide Kannada Unicode Template . | Bank is not having Whatsapp API, Bidder to facilitate the same. Bank shall pay the Whatsapp Subscription Charges. |
| 18 | 37 | Annexure 9-11 | 15.The Solution generate and deliver overdue and payment reminders through WHATSAPP in Kannada Language. | We request the bank to provide Whatsapp API to integrate in our proposed solution to deliver all type of notice and Bank is responsible for Whatsapp Subscription charges. We request bank to provide Kannada Unicode Template. | Bank is not having Whatsapp API, Bidder to facilitate the same. Bank shall pay the Whatsapp Subscription Charges. |
| 19 | 37 | Annexure 9-18 | 18. The Solution should generate letter for panel Advocates providing details of Borrower, Co-borrower, co-obligant, guarantor for filling LAW suite in District Magistrate, DRT, DRAT as the case may be. The Solution should have provision to upload case history, with relevant documents such as case posting, plaint copy, response from | We request bank to clarify who will upload the case history with relevant document? Will it be bank official/Service provider? Is there any specific format and fields specified by bank for filling case history? We request bank to share the same and made | Bank Officials and the Panel Advocate shall upload the case History in the package. There is no specific format. |

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| | | | the defend-ant etc. | available. | |
| 21 | 37 | Annexure 9-24 | The selected bidder should conduct vulnerability assessment and penetration testing (VAPT) of their infrastructure through CERT-IN empaneled vendors and mitigate the vulnerabilities if any. The report has to be submitted to the Bank every half year. | VAPT TESTING include in Commercial | Please refer the amendment 1 |
| 22 | 37 | Annexure 9-25 | The solution should be bug free without any back door to the hacker and the selected bidder should submit the code audit report as and when changes are carried out in the software. | We request the bank to confirm that it will be additional cost | Source code audit shall be done by the bidder as and when changes in application is carried out and certificate to that extent shall be submitted to the bank. |
| 23 | 37 | Annexure 9-27 | The bidder shall ensure the functioning of solution from DRC atleast twice in a year for seven days to ensure business continuity. | We request the bank to confirm that DRC will be once in a year, however if bank want to do it twice in a year. There will be additional cost involved. Note: For this compliance Bank should provide written confirmation twice in year. Testing cannot | Please refer the amendment 1 |

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| | | | | be executed. | |
| 24 | 37 | Annexure 9-28 | The solution should have PKI based authentication mechanism under the hierarchy of the controller of certifying authority (CCA). | Request bank to clarify the purpose behind this authentication. | Bidder shall use atleast AES 256 bit encryption for the data at rest and in transit. Solution shall be accessible through a secured https connection. SSL certificate issued by a certifying authority shall be deployed. |
| 25 | 38 | Annexure 9-38 | The solution should be hosted in India in high availability mode with DC & DRC in different seismic zones. The uptime of the solution should be 99.9% | We request the bank to confirm that there will additional cost involved for Up time of 99.9% | Bidder to Comply RFP terms. |
| 26 | 37 | Annexure 9-29 | The solution should have separate test, development, and production environment. | We request the bank to confirm that bidder can be allowed to club Test and Development server | Bidder may club Test and Development Environment. |
| 27 | 37 | Annexure 9-30 | The Solution service provider should have proper change management system to carry out any change in infrastructure & solution. The service provider should follow secured coding practice as a part of SDLC. The service provider should have proper well-defined roll based access control. | Is the service provider allowed to change production environment without any confirmation from Bank. | Prior approval of bank is required for any changes in the production environment. |

Amendment 1:

It is decided to amend the following in respect of the above GeM bid:

| Sl. No. | Clause No. | Existing | Amended | | | | | | | | | | | | | | | | |
|---------|--|---|--|----------------|-----------------------|-------------------|----|--|-----------|--|--|---------|----------------|-----------------------|-------------------|----|--|-----------|---|
| 1 | 24 of Annexure 9 | The selected bidder should conduct vulnerability assessment and penetration testing (VAPT) of their infrastructure through CERT-IN empaneled vendors and mitigate the vulnerabilities if any. The report has to be submitted to the Bank every half year. | The selected bidder should conduct vulnerability assessment and penetration testing (VAPT) of their infrastructure through CERT-IN empaneled vendors and mitigate the vulnerabilities if any. The report has to be submitted to the Bank every year. | | | | | | | | | | | | | | | | |
| 2 | 36.1 | <p>Payment terms:</p> <table border="1"> <thead> <tr> <th>Sl. No.</th><th>Payment Stages</th><th>Percentage of Payment</th><th>Condition/Remarks</th></tr> </thead> <tbody> <tr> <td>a.</td><td>NPA Management Solution which includes Software, Hardware, subscription, Hosting, Bandwidth, Monitoring & Cyber security charges under opex model.</td><td>Quarterly</td><td>Payment will be on a quarterly basis in arrears after complete implementation by deducting applicable LD if any and taxes.</td></tr> </tbody> </table> | Sl. No. | Payment Stages | Percentage of Payment | Condition/Remarks | a. | NPA Management Solution which includes Software, Hardware, subscription, Hosting, Bandwidth, Monitoring & Cyber security charges under opex model. | Quarterly | Payment will be on a quarterly basis in arrears after complete implementation by deducting applicable LD if any and taxes. | <p>Payment terms:</p> <table border="1"> <thead> <tr> <th>Sl. No.</th><th>Payment Stages</th><th>Percentage of Payment</th><th>Condition/Remarks</th></tr> </thead> <tbody> <tr> <td>a.</td><td>NPA Management Solution which includes Software, Hardware, subscription, Hosting, Bandwidth, Monitoring & Cyber security charges under opex model.</td><td>Quarterly</td><td>Payment will be on a quarterly basis in advance on submission of Advance payment guarantee after complete implementation by deducting applicable taxes & LD in the previous quarter if any.</td></tr> </tbody> </table> <p>Refer Modified Bill of Material Below.</p> | Sl. No. | Payment Stages | Percentage of Payment | Condition/Remarks | a. | NPA Management Solution which includes Software, Hardware, subscription, Hosting, Bandwidth, Monitoring & Cyber security charges under opex model. | Quarterly | Payment will be on a quarterly basis in advance on submission of Advance payment guarantee after complete implementation by deducting applicable taxes & LD in the previous quarter if any. |
| Sl. No. | Payment Stages | Percentage of Payment | Condition/Remarks | | | | | | | | | | | | | | | | |
| a. | NPA Management Solution which includes Software, Hardware, subscription, Hosting, Bandwidth, Monitoring & Cyber security charges under opex model. | Quarterly | Payment will be on a quarterly basis in arrears after complete implementation by deducting applicable LD if any and taxes. | | | | | | | | | | | | | | | | |
| Sl. No. | Payment Stages | Percentage of Payment | Condition/Remarks | | | | | | | | | | | | | | | | |
| a. | NPA Management Solution which includes Software, Hardware, subscription, Hosting, Bandwidth, Monitoring & Cyber security charges under opex model. | Quarterly | Payment will be on a quarterly basis in advance on submission of Advance payment guarantee after complete implementation by deducting applicable taxes & LD in the previous quarter if any. | | | | | | | | | | | | | | | | |

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| 3. | 27 of Annexure 9 | The bidder shall ensure the functioning of solution from DRC atleast twice in a year for seven days to ensure business continuity. | The bidder shall ensure the functioning of solution from DRC atleast once in a year for seven days to ensure business continuity. |
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The following work flow annexures are included as part of the GeM bid. Bidder shall refer the same before submitting compliance to scope of work.

1. Annexure - 17 (Modified Bill of Material)
2. Annexure - 18 (SARFAESI WORK FLOW)
3. Annexure - 19 (OTS Work flow)
4. Annexure - 20 (KACO&MP and KPMR Work flow)
5. Annexure - 21 (SMA Resolution Work flow)
6. Annexure - 22 (DRT Work Flow)

All the other instructions and terms & conditions of the above GeM bid shall remain unchanged.

Please take note of the above amendments while submitting your response to the subject GeM bid.

Date: 06/01/2023

Place: Dharwad

General Manager.

Annexure- 17
Modified Bill of Material

SUB: RFP for Selection of Service Provider for Implementation of NPA Management Solution in Hosted (OPEX) Model.

Ref: Your GEM BID GM/2022/B/2743081 dated 15/11/22.

Notes

1. These details should be on the letter head of Bidder and each & every page should be signed by an Authorized Signatory with Name and Seal of the Company.
2. Please be guided by RFP terms, subsequent amendments and replies to pre-bid queries (if any) while quoting.
3. Do not change the structure of the format nor add any extra items.
4. No counter condition/assumption in response to commercial bid will be accepted. Bank has a right to reject such bid.

TABLE-A

| Sl No. | Solution | Subscription Cost of Solution for one year | Total No. of Years | Cost |
|--------|--|--|--------------------|------|
| 1 | NPA Management Solution which includes software, subscription, Hardware, license, hosting, Bandwidth, monitoring and cyber security charges. | | 03 | |
| 2 | One Time Implementation Cost. | NA | NA | |
| | Grand Total | NA | NA | |

- All prices are exclusive of taxes.
- Payment shall be made quarterly in arrears on submission of invoice with GST details.

Date

Signature with seal

Name:

Designation:

Charges mentioned in above Table-A should be valid till 3 years from the date of commercial bid opening.

Undertaking

- i. Bill of material is submitted on the letter head and is signed by an Authorized Signatory with Name and Seal of the Company.
- ii. We confirm that we have gone through RFP clauses, subsequent amendments and replies to pre-bid queries (if any) and abide by the same.
- iii. We have not changed the structure of the format nor added any extra items. We note that any such alternation will lead to rejection of Bid.
- iv. We agree that no counter condition/assumption in response to commercial bid will be accepted by the Bank. Bank has a right to reject such bid.
- v. We are agreeable to the payment schedule as per "Payment Terms" of the RFP.

Date

Signature with seal

Name :

Designation :

Annexure - 18
(SARFAESI WORK FLOW)

CHRONOLOGY OF ACTION POINTS UNDER SARFAESI ACT

- 1) Proper scrutiny and identification of eligible NPA accounts
- 2) Permission of Competent Authority to issue notice (**Format -A**)
- 3) Issue of Demand Notice (60 days period)- **Format- B or C and D**
- 4) Disposal of reply /objections of the party to the Demand Notice by preparing suitable reply- **Format -D-1.**
- 5) Taking possession and issue of Possession Notice -**Format- M** (for immovables). In case of movable secured assets, Panchanama (**Format-K**) shall be drawn and signed by witnesses followed by preparing Inventory (**Format- L**) of movable assets taken possession. Issue notice to tenants if any, in **Format M1**
- 6) Approaching District Magistrate//Chief Metropolitan Magistrate if resistance from borrower/owner of the property is anticipated (**Format - J**).
- 7) Serving possession notice by delivery to party and affixing to conspicuous part of the property and issuing paper publication in 2 dailies, of which one in vernacular language.
- 8) Paper publication of Possession Notice within 7 days of taking possession
- 9) Safe Custody and Insurance of secured assets taken possession.
- 10) If party approaches DRT within 45 days of taking possession, steps shall be taken to get the appeal disposed off by DRT. In case of adverse orders of DRT, move to DRAT

- 11) If party moves High Court, Branch may request High Court for vacation of stay or to direct the party for settlement. Action to file caveats wherever necessary
- 12) Valuation by the approved Valuer and fixing Reserve Price with consent of Appropriate Authority if sale of Securities is effected through public auction /inviting tenders.
- 13) Mode of sale -any one of the 4 modes permitted under the Act Viz., Public auction/Inviting Sealed Tenders/ Private Treaty /By obtaining quotations from the parties dealing in secured assets
- 14) Issue of 30 days Sale Notice **Format- N** to party immediately after issuing possession Notice
- 15) If No positive response to Format N and in case of holding sale by inviting sealed tenders or by public auction, publish Auction Sale Notice in **Format-O** (For physical mode of auction) and in **Format O(E)** (for online/E-Auction) of properties in two dailies of which one in vernacular language, maintaining minimum gap of 30 days from the date of paper publications and date of public sale/auction
- 16) Serving copy of public notice of sale/auction(Format O or Format OE as the case may be depending on mode of sale) to parties with covering letter in **Format N (1)**
- 17) Conducting Actual Sale after 30 days of issuing sale notice to party /Sale notice to public and after minimum 45 days from the date of taking possession
- 18) In case of holding sale by public auction (Physical mode), **proceedings to be** recorded in **Format -O-2**. The Sale to be confirmed to the highest bidder by issuing sale confirmation letter in **Format O-4** (Format - O-1 to Format - O-5 to be used during the course of auction)
- 19) Assistance of Empanelment Agencies to be obtained wherever necessary/applicable
- 20) In case of holding E Auction of movable/immovable properties, services of empanelled E Auction Service Provider needs to be availed. Branch to open a dummy current account for receiving EMD/bid amount and to verify the KYC particulars of bidders
- 21) Issue of sale confirmation letter to successful bidder after receiving 25% of Bid amount(inclusive of EMD) in Format O-4 and Issue of Sale Certificates after receiving balance amount **(in Formats P for movable assets & Format Q for immovable assets)**

Sale by private treaty or by obtaining quotations from the parties dealing in secured assets to be held only if public sale by inviting tenders or by holding auction does not materialize and to be conducted only with the consent of borrower/owner of the property with prior permission from General Manager (HO-LRD).

SARFAESI formats will be shared with the successful bidder.

Annexure - 19
(OTS Work Flow)

1. Recovery action will be under progress in case of NPA accounts. List of NPA will be available at branches.
2. Meanwhile if any borrower approaches for settlement of the dues under OTS, branch has to negotiate with the borrower for maximum possible offer amount as per OTS policy keeping in mind the security available, their realisability & repaying capacity of the borrower.
3. Request has to be obtained from the borrower by accepting 25% of Offer Amount as Down payment.
4. Structured formats (Annexure-I, Annexure-II & Annexure-III) have been devised for building up the proposals. Branches shall use these structured formats only.
5. For branch level sanction, branches have to build-up the proposal in the prescribed form (Annexure-I, Annexure-II & Annexure-III) and sanction the OTS at their level by adhering to sanctioning powers.
6. Sanction letter shall be issued to the borrower as per Annexure-VI.
7. In case of RO sanction branches have to build-up the proposal in the prescribed form (Annexure-I, Annexure-II & Annexure-III) and forward the same to respective RO. RO will scrutinize the proposal and sanction the same according their sanctioning powers.

8. RO will communicate the sanction to respective branches through a letter. Branches in turn will issue a sanction letter in the prescribed format Annexure-VI based on the sanction conditions of the RO.
9. In case of proposal not falling under the discretionary powers of Branch as well as ROs, branches have to build-up the proposal in the prescribed form (Annexure-I, Annexure-II & Annexure-III) and forward the same to respective RO. RO will scrutinize the proposal and forward the same to Head Office with their recommendation for sanction at HO.
10. HO will communicate the sanction to respective branches / RO through a letter. Branches in turn will issue a sanction letter in the prescribed format Annexure-VI based on the sanction conditions of the HO.
11. After sanction at various levels, borrower will be given some time for payment of balance offer amount.
12. Branches shall follow-up with the borrower for early closure of NPA accounts before stipulated time.
13. If in case of unavoidable circumstances, borrower approaches for payment of balance offer amount after expiry of the validity of sanction, then offer amount can be accepted along with Delayed Period Interest (DPI) as per extant guidelines.
14. After the expiry of the validity of the sanction and additional permissible time with or without collection of DPI, the OTS sanctioned earlier stands cancelled.
15. To monitor sanctions by the various delegates, reporting of the sanctions through control formats has to be ensured. Under this arrangement, sanctions made by any functionary delegated with the powers will have to be reported for control purpose to the next higher authority. The details of "noting" received from higher authorities shall be properly recorded/ preserved for future verification. All the settlement proposals sanctioned under OTS scheme shall be reviewed by the next higher authority. Branches including CM Branches shall report sanctions made by them in Annexure-IV to their respective Regional Offices. Regional Offices shall report sanctions made by them in Annexure-V, to LRD, Head Office on monthly basis.
16. All the details of OTS sanctioned & closed shall be entered in the OTS portal. Information such as Loan account number, type of loan, name of the borrower, loan sanction date / amount, book balance, OTS sanction date, offer amount, write off of book balance, waiver of interest, date of closure of account under OTS etc., shall be available in OTS portal for updating Black List register, sending SMS to borrowers, updating the details in CIR.
17. The details of write off of accounts outside negotiated settlement & other write off schemes have to be updated in Black List register & CIR.
18. Branches can issue NOC after collecting written off amount interest at applicable rate of interest as per extant guidelines.
19. Branches can also issue NOC in case of written off dues by settling the dues under OTS as per prevailing norms by collecting prescribed offer amount.
20. Complete Data with regard to OTS sanctioned, materialized, pending, book balance, offer amount, write off, waiver etc., shall be available at given date for monitoring & reporting.

Annexure - 20
(KACO&MP and KPMR Work flow)

RECOVERY UNDER THE PROVISION OF SECTION 5(3) OF THE KACO AND MP ACT, 1974 :

Any farm loan, which is fully or partially overdue and is secured by a charge created under KACO and MP Act can be recovered.

Branches shall make an application in Form IA to the concerned Tahasildar under whose jurisdiction the property is situated.

Branches shall send original declaration Form KA 34 executed by the borrowers, retaining a copy at Branch.

On receipt of Form IA with KA 34, Tahasildar serve DN to the borrowers or his LRs in form II calling upon them to pay the amount within a period of 15 days from the date of service of this notice.

If the amount specified in the notice is not paid on the specified date, the Tahasildar will destrain the property charged and make arrangements for its preservation until sale.

Thereafter the Tahasildar will arrange for sale of attached property. The Purchasers of the auctioned property shall pay the amount to the Tahasildar who will in turn, pay the amount to the Bank and give receipt to the Borrower for the amount appropriated from the Sale proceeds.

An application shall be made to the Tahasildar informing him of the closure of the loan account.

RECOVERY UNDER THE PROVISION OF SECTION 12 OF THE KACO AND MP ACT, 1974 :

Any loan which is fully or partially overdue can be recovered by sale of properties belonging to the borrowers including charged and uncharged properties.

Branches shall make an application in Form III to the Assistant Registrar of Co-operative Societies under whose jurisdiction the property is situated. The territorial jurisdiction of the assistant Registrar of Co-operative Societies depends on the place of where the branch is situated and not the place of the property.

On receipt of Form III, Assistant Registrar of Co-operative Societies serve DN to the borrowers or his LRs in form IV calling upon them to pay the amount within a period of 15 days from the date of service of this notice.

The ARCs will issue a certificate for the recovery (in form No.V) of the amount claimed in the application.

On receipt of such recovery certificate from the Assistant Registrar of Co-operative, the branches shall forward such recovery certificate along with Form No.IB immediately to the Tahasildar.

RECOVERY UNDER THE PROVISION OF SECTION 3 (3) OF THE KARNATAKA PUBLIC MONIES (RECOVERY OF DUES) ACT, 1979 :

Any sum due to the bank from any person in respect of a loan given to him under socially Desirable Scheme.

An application is made under section 3(3) of the act to the ARCs under whose jurisdiction the branch is situated.

ARCs may, after making such enquiry as he deems fit after giving such persons/s a reasonable opportunity of being heard grant a Recovery certificate in form KPMR -III. For this, ARCs may serve a notice on the parties or LRs as to why RC shall not be issued in form KPMR-II.

The certificate so granted is final, which should be sent to the DC by the bank on the date of receipt of same from the ARCs along with FORM KPMR -IV.

The DC then initiate steps for the recovery of the amount through the Tahasildar.

The Tahasildar will serve the notice in form V, calling the parties or LR's to pay off dues, lest proceedings for recovery shall be initiated.

Annexure - 21
(SMA Resolution Work flow)

1. Identification of SMA 0, SMA 1 & SMA 2 accounts.
2. Ordinary Notice (KA-71) to be generated and sent to Borrowers & Guarantors when an accounts slips to SMA 0 category.
3. Branches shall contact the borrower for recovery of dues. Any commitment by the borrower shall be noted in the diary for further follow-up.
4. If there is no response from the borrower and repayment, 10 days after accounts slips to SMA 1 category, Registered Notice (KA-72) shall be sent to Borrowers & Guarantors.
5. Even after continuous follow-up for recovery of dues, if the accounts slips to NPA category, immediate action for recovery has to be initiated under SARFAE-SI/DRT/KACOMP/KPMR/CIVIL SUIT.
6. Before initiating recovery through DRT/KACOMP/KPMR/CIVIL SUIT Vakil Notice (VN) has to be issued recalling the entire amount through a panel advocate.

7. Information for issuing VN shall be provided to the panel advocate in the prescribed proforma (KA-76).
8. If there is no response to the VN, permission to file case has to be obtained from the appropriate authority by submitting a request in REC-1.
9. In case of security is in the form of hypothecated asset, if there is no response from the borrower to Ordinary Notice (KA-71), after due verification of the location and condition of the hypothecated assets, Seizure Notice (LRD-7) shall be sent to Borrowers & Guarantors.
10. Even after issue of seizure notice, if there is no repayment from the borrower within 7 to 15 days, branch shall furnish complete information of the hypothecated assets sufficient to identify the same as per (Annexure-II) with a covering letter (Annexure-IIA) to the seizing agent authorizing them to seize the hypothecated assets.
11. After ascertaining the repayment made by the borrower, seizing agent will seize the asset and keep them in the specified yard/ godown.
12. Immediately on seizure, the detailed inventory and panchanama of the securities seized will be drawn by the agent at the place of seizure duly signed by the witness / panchas. The witness shall include borrow / guarantor also. One copy of the panchanama shall be retained at the branch.
13. Immediately after seizure of vehicle, the same shall be brought to the notice of concerned RTO.
14. On the next day of the seizing the assets a notice shall be issued by Registered AD post in the prescribed proforma (Annexure -III) on the bank letter head to all the borrower / guarantor/ legal heirs informing the seizure of assets and requesting them to get released the seized assets within 15 days from the date of notice.
15. Seizing charges shall be paid to the seizure as per guidelines by debiting the loan account.
16. If the parties repay the dues and seizing charges debited to the loan account within prescribed time, seized asset shall be released by the seizure against the released order by the branch.
17. If the parties fail to repay the dues to the bank and regularize their loan account within a prescribed period of the notice, branch shall recommend for auctioning the seized assets. The Regional Office will arrange for the auction.
18. Before going for paper publication, RO should confirm from the branches that all the relevant records are available to handover the assets to the successful bidder. RO to get the confirmation from the branch in Annexure-V.
19. The date of auction will be fixed by the Regional Office and same will be notified by paper publication in a local newspaper.
20. Branch shall once again contact the party and recovery efforts shall be continued. Branch shall request the borrower to repay the dues before the date of auction.
21. Branches shall inform the repayment received in any to RO well before the date of auction in case auction has to be stopped.
22. Before auction of the assets, RO shall get the assets valued by the approved valuator.
23. Auction will be conducted as per schedule.
24. After auction is over, the proceeds of auction will be remitted to the concerned branches for adjusting the same to the loan account.

25. In case of auction proceeds are surplus, the same shall be kept under suspense account and shall be adjusted to other direct/indirect liabilities of the borrower after giving a notice to the borrower. If borrower has no other direct/indirect liabilities, the same shall be credited to the party's SB account.
26. After the auction is over, one more notice shall be issued to the borrower in the proforma (Annexure-IV) in the bank's letter head informing the amount realized in the auction and adjustment made. If any amount is still due, party shall be called upon to repay the same to avoid further legal action.
27. If the auction proceeds are not sufficient to close the loan account, legal action has to be initiated as per usual procedure after obtaining permission from the higher authority.
28. A register of auction shall be maintained.
29. After receiving full bid amount, RO shall issues letter to the seizing agent for release of seized asset.
30. If the successful bidder does not turn up for payment of balance bid amount, EMP shall be adjusted appropriated towards the loan account after giving a suitable notice by Regd.AD to the bidder.

Annexure - 22
(DRT Work Flow)

PROCEDURE AFTER FILING OF ORIGINAL APPLICATION IN DRT

01. After the approval of the Complaint by the concerned Regional offices, the concerned Branch Manager's shall visit the Advocate's office to affix their signatures on the complaint and loan documents. The concerned Branches shall pay the court fee on the complaint as instructed by the Panel Advocates.

02. Initially, the filing shall be done through online and the court fee to be payable to the DRT also through online only. The court fee challan will be given to the Branch Manager's for their reference purpose.
03. After online filing, the Advocates shall file physical copy of the same before the DRT and thereafter, the Diary number will be provided by the DRT at the initial stage.
04. The DRT office bearers will scrutinize the file and if there are any procedural lapses, they will raise defects/office objection in the file. The scrutiny of the file will take minimum 15 days' time. Thereafter if there is any defects the concerned advocates shall comply the same.
05. After compliance of office objection, the DRT will allot the Original Application number and also will order for issue of suit summons to the defendants. After issue of suit summons the DRT will give further date up to 3 to 4 months' time for service of suit summons to the defendants.
06. Once the summons is served on the defendants, they have to appear through their Counsel and they have to file their objection statement within 45 days from the date of service of suit summons. Sometimes the suit summons will not be served on the defendants due to change of address or any other reason, the DRT will order for issue of suit summons to the defendants through paper publication. Please note that, we have to take Register post of the suit summons at least 2 times.
07. If the defendants have not appeared, the DRT will placed them as ex parte and the matter will be posted for Applicant Bank evidence.
08. Sometimes, the suit summons issued to the defendants will returned with a shara that, the addressee deceased. At that time the Branch has to collect the information of their legal heirs and the advocate has to file an application to bring the LR's on record. Once the LR's application is filed, the DRT will order for issue of notice to LR. If appeared, they will contest the matter, if not they will be placed ex parte and case will be continued against them. The DRT will allow the LR's application and permit the bank to amend the cause title of the plaint and the Bank shall file fresh Plaint.
09. Once the Bank led their evidence, the loan documents will be marked as Exhibits and matter will be posted for defendants' evidence. In DRT there is no cross examination of the Bank Managers. The matters in DRT only summary in nature. If the defendants are contesting the matter they have to lead their evidence.
10. After the evidence of both the parties, the matter will be posted for final arguments. After hearing of the argument, the DRT will post the matter for orders. After passing of the final order, the panel advocates shall file cost memo i.e., whatever, the expenses incurred by the Bank for filing of the suit will be added in the Recovery certificate.
11. After filing of the cost memo by the advocates, the DRT Will prepare Recovery Certificate and DRC number will be provided. After receiving the Recovery Certificate by the

Bank, the concerned Bank officials/liaison officer shall appear before the Recovery officer in order to recover the outstanding amount.

12. The Recovery officer will issue demand notice to the defendants. If the demand notice is duly served, they have to appear before the recovery officer and they can file their objection. After hearing, the recovery officer shall pass an order on it.
13. If the defendants not appeared even after service of demand notice, the Recovery officer will issue sale proclamation, selling the mortgaged property by way of auction sale in order to recover the outstanding loan amount from the defendants.
14. The defendants can also challenge the auction sale before the DRT by filing an appeal. But the defendants shall pay 25% of the outstanding amount before challenging the sale auction.
15. If the loan was granted under MSME scheme or CGTMSE Scheme and if there is no mortgage property, the BANK is at liberty to identify any other properties which are in the name of the borrower or the guarantor subject to providing the sale deed, Encumbrance Certificate in their names.