

GOVERNMENT OF GOA,
DEPARTMENT OF COOPERATION
OFFICE OF THE REGISTRAR OF COOPERATIVE SOCIETIES,
"Sahakar Sankul", 4th Floor, Patto Plaza,
Panaji, Goa 403 001

Tel: +91 832 2437165/2437174/2437175
Fax: +91 832 2437134

Email: reg-orcs.goa@nic.in
website: www.coopgoa.gov.in

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Date:- 20/10/2023

NOTIFICATION

Sub: Guidelines for OTS Scheme for Credit Societies 2023.

Whereas, the Government had floated OTS scheme for all the Credit Societies functioning within the State of Goa on 10.02.2020 for initial period of Six Months and subsequently on demand from co-operative sector it was extended from time to time.

And whereas, the members could not take the benefit under the said OTS scheme due to financial crunch on account of covid pandemic thereby defeating the very purpose of the said scheme.

And whereas, with a view to minimize the Non Performing Assets (NPA) of the Cooperative Credit Societies and to provide relief to the borrowers/ members of the societies who have not been able to repay their dues for the reasons beyond their control, it has been decided to introduce model guidelines on **ONE TIME SETTLEMENT Scheme 2023**, for the overall benefit of the members, depositors of the Co-operative Credit Societies. This will help the societies in recycling of funds to generate income from the amount received from non performing Assets.




The benefits under the OTS scheme shall be applicable to only those loan accounts wherein the society has made adequate NPA provision in the audited Balance Sheet as on 31.03.2023.

All the Urban Credit Co-op. Societies/PACs/ Multi-purpose or any other societies carrying on the business of accepting deposits and lending loans to its members are therefore advised to devise One Time Settlement (OTS) Scheme at their discretion in line with the revised model guidelines appended herewith.

This scheme shall come into force once the same is published in Official Gazette and it shall remain in force till such time as mentioned in the above guidelines appended herewith or any further extension period on the demands of the Co-operative Societies registered under the Act and with the approval of the Government.




(Manuel Barreto)
Registrar of Coop. Societies &
Ex-Officio Joint Secretary (Co-operation),
Patto, Panaji Goa

Encl: Revised Model OTS Scheme guidelines.

To,
The Director, Government Printing Press, Panaji with a request to publish this Notification and revised model OTS Scheme guidelines in the Government Gazette.

Copy to:

1. The Asstt. Registrar of Co-operative Societies, Wing-I/Wing-II/Wing -III/ Wing -IV and Wing -V Panaji Goa, for information.
2. The Asstt. Registrar of Co-operative Societies, Central Zone, Panaji/ North Zone, Mapusa/ South Zone, Margao/ Ponda Zone, Ponda/ Bicholim Zone, Sankhalim/ Quepem Zone, Quepem Goa, with the directives to forward copies of the model OTS Scheme guidelines to concerned credit societies functioning under their jurisdiction for necessary action and to submit compliance report to this office.

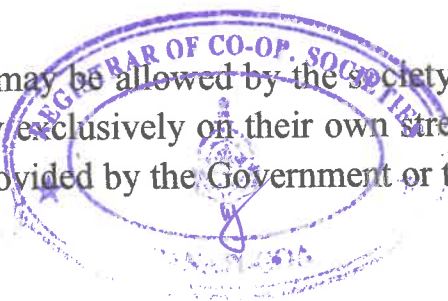
**MODEL GUIDELINES FOR ONE TIME SETTLEMENT (OTS) SCHEME / O.T.S.
SCHEME FOR CREDIT COOPERATIVE SOCIETIES IN THE STATE OF GOA – 2023**

Introduction:

Hitherto the Government had floated OTS scheme for all the credit societies functioning within the State of Goa on 10.02.2020 for initial period of Six Months and subsequently on demand it was extended over a period of time, last being extended on 30.06.2023 with its validity upto 30.09.2023. However the members could not take benefits under the said OTS scheme due to financial crunch on account of covid pandemic thereby defeating the very purpose of the said scheme. Now with a view to minimize the Non Performing Assets (NPA) of the Cooperative Credit Societies and to provide relief to the borrowers/ members of the societies, who have not been able to repay their dues for the reasons beyond their control, it has been decided to introduce a **ONE TIME SETTLEMENT Scheme 2023**, to provide an opportunity to them to liquidate their dues. This will help the Societies in recycling of funds to generate income from amount received from non performing Assets.

Features:

1. The OTS scheme shall be applicable to all the Primary Agricultural Credit/Multipurpose/Urban Cooperative Credit Societies registered in the state of Goa Who are doing the credit and deposit business.
2. This scheme shall adhere to all the provisions of the Goa Cooperative Societies Act, 2001 and the Rules 2003 and shall also comply with the various circulars, notifications, orders issued by the Government and Registrar of Cooperative Societies from time to time.
3. After adopting the scheme, it shall be made applicable to all the members of the society except sitting members on the Board of Directors, Ex-Directors and their family as defined under the Act, without any prejudice and discrimination.
4. Since at any point of time the NPA type of loan and interest therein would not be exempted/waived, Rule 40 of the Goa Coop. Societies Rule 2003 shall not be applicable to this compromise scheme.
5. The societies shall be bound to place all the information in relations to the loans covered under this OTS scheme in the Board of Director's meeting. Therefore, all the cases considered for OTS scheme shall be included in the agenda of the Board of Director's meeting. The particulars of which will be placed before the Board of Director's in the Proforma enclosed herewith as "Annexure-A".
6. The overdue outstanding amount appearing at NPA stage shall be the minimum amount to be recovered fully from the loanee member. The amount beyond the NPA stage till date of repayment shall be recovered at discretion of Board at simple rate of interest ranging from 8 to 10% depending on the merit of each case.
7. The waiver that may be allowed by the society in terms of this scheme shall be borne by the society exclusively on their own strength and no financial support in the matter will be provided by the Government or the Registering Authority.



8. The Scheme shall not cover the cases of frauds, misappropriation of funds and willful defaulter.

9. Legal heir(s)/guarantor (s) of the deceased borrowers will also be covered under the scheme.

10. The Scheme will cover all the borrowers, even if suits filed under arbitration, Execution and section 138 of Negotiable instrument Act 1881.

11. The benefits under the OTS scheme shall be given to only those loans account wherein the society has made and accounted adequate NPA provision in the audited Balance Sheet as on 31.03.2023.

12. All the OTS cases covered under the scheme shall be placed before the Board giving all information in forms Annexure 'A' for decision of the board and accordingly acted upon.

1. Eligibility:

All the loans which are classified as NPA's upto 31/03/2020 and are still outstanding will be eligible for benefit under the OTS scheme.

B. The loans availed by the sitting directors/members of the Managing Committee, ex-directors and their family as defined under the Act and employees of the society shall not be covered under the scheme.

C. The loans that have been sanctioned by the society beyond the loan limit that has been specified in its byelaws and or loan Rules shall not covered under this scheme.

C. It shall be the discretion of the Board to decide on merit and within the guidelines of the OTS scheme which loans are to be considered or rejected.

2. Obligation to be adhered by the principal loanee and sureties after availing OTS Scheme.

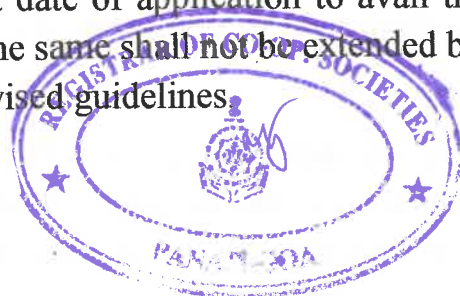
The beneficiaries who are availing the benefits under the OTS scheme shall not be entitled for any type of facilities/exemption in relation to any other loan repayment; they shall also not be eligible to avail loan or stand surety to any type of loans advanced by the society for the next 6 years.

3. The following items/heads can be waived/exempted under this scheme:

- a) Recovery expenses of the Society.
- b) Penal Interest charged if any.
- c) Postage expenses and the expenses other than the actual interest.

4 Operative Period:

The last date of application to avail the OTS shall be decided by the Board; however, the same shall not be extended beyond 31st March 2024 from the date of issue of revised guidelines.



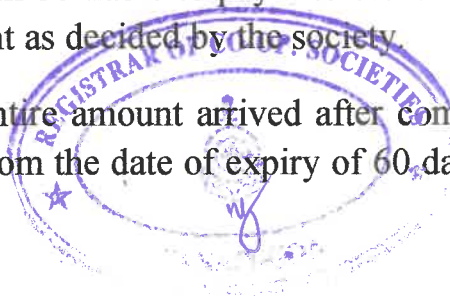
5 The mode of application:

- a. The applicant shall deposit 10% of the loan amount as it stands on cut-off date of classifying his loan and interest as on the date of NPA.
- b. The Board of Directors shall scrutinize the application received from the loanee members and take the decision thereafter.

Nevertheless, the decision taken by the BOD under this OTS scheme shall be communicated to the concerned applicant within 30 days from the date of such decision. In case the society refuses any such applications the refusals shall be communicated to the concerned applicant with the reasons for non-acceptance of his application and 10% amount of loans received along with application from the concerned loanee member shall be credited to the principle loan of that loanee. In no case, amount shall be adjusted towards the interest.

6. Compromise Formula:-

- A. On or before cutoff date the day on which the loan has been classified as NPA, the balance appearing in the loan ledger both principle and interest (Normal interest as per sanction letter will be charged from the date of disbursement to the date of NPA in normal course) shall be taken as the base amount and the simple interest ranging from @8% to 10% as fixed by the society for various types/categories of loans shall be calculated on the total of the above principal and interest.
- B. In case any loanee members has paid certain amount after cut-off date(i.e. the date of classifying the loan as NPA), such amount shall be deducted at the end. However, in no circumstances the amount outstanding on the date of classification of loan as NPA shall be reduced and allowed to be closed by recovering less amount than the formula adopted by the society as at 'A' above.
- C. The loanee member shall deposit at least 25% of above compromised amount within 30 days from the date of the consent letter of the society. (This 25% proportion may include the amount deposited 10% at the time of application for OTS).
- D. Remaining 75% of the amount arrived after compromise shall be paid within 30 days from the date of expiry of 30 days allowed (under "C" above).
- E. The total amount that has been agreed to be compromised under this scheme shall be paid within 60 days (Under 'C' & 'D' above) from the date of communication under para 6 from the society to loanee member.
- F. In case the loanee member fails to pay the entire amount within 60 days as specified under clause "E" above and if the balance remains after 60 days, the loanee members shall be liable to pay interest rate upto 13 % compounded till the date of final payment as decided by the society.
- G. In case the entire amount arrived after compromise has not been deposited within 12 months from the date of expiry of 60 days as calculated in clause "E" of



this para the society will have right to revoke the facility of one time settlement scheme extended to the loanee members and in such circumstances the loanee shall be liable to pay all the amount along with the regular interest, service charges, recovery charge and other incidental expenses. The society will also have the right to recover the amount from the loanee as it is being done under normal practice. This has to be specified in its scheme by Society.

7 OTS under the Double the Principal Amount (Dam Dupat Scheme):

The loans up to Rupees 25 lakhs outstanding with or without collateral security of movable and immovable assets/property could be compromised under double the principal loan availed. (Dam Dupat Scheme)

- a) In case any loan which is overdue (i.e. date of default) for more than seven years / 84 months preceding **cut-off date i.e. on 31st March, 2022**, can be settled under this scheme.
- b) Any loan account which has remained unpaid/ outstanding after expiry of sanctioned period exceeding **3 years preceding cut-off date i.e. on 31st March, 2022**, can be compromised/settled under this scheme.

Provided that the total amount recovered shall be at least double the principal loan availed plus incidental charges such as Group insurance and postage if any may be recovered at the discretion of the society. The particulars of which will be place before the OTS sub committee and Board of Directors in the proforma enclosed herewith as Annexure B and C.

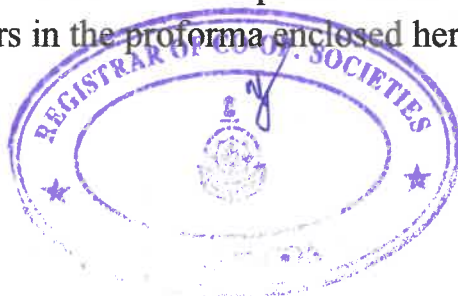
Compromise amount to be payable preferably in lump sum latest within 60 days of the approval, with minimum 10% of the approved amount to be paid up front with application.

8 OTS for Gold Loan Account:

In the case of Gold loan there should not be any sacrifice as value of security should have been adequate to recover entire loan outstanding. However, in exceptional cases only where even after disposing off Gold ornaments/Artificial/Coin etc. some outstanding amounts remains in the account; same may be covered under this scheme subject to no fraud/willful default/Fake Gold in the account.

- a. If amount remains to be paid after disposing security is equal or less than 10% of the Gold loan sanctioned amount, then same can be waived out from the Bad & Doubtful debts/ NPA provision with the approval AGM.
- b. If Amount remains to be paid after disposing security more than 10% of sanctioned amount, then society shall obtained approval of AGM and proposal for the waiver shall be submitted to registering authority for approval.

The particulars of which will be place before the OTS sub committee and Board of Directors in the proforma enclosed herewith as Annexure D.



9. The obligations to be observed by the society:

A. Public notice shall be published in local newspapers, giving publicity of the scheme and also communication be sent individually to each eligible loanee by the society.

B. All the eligible loanee member under this scheme shall be entitled for the scheme and the soci

ety shall not discriminate to any member.

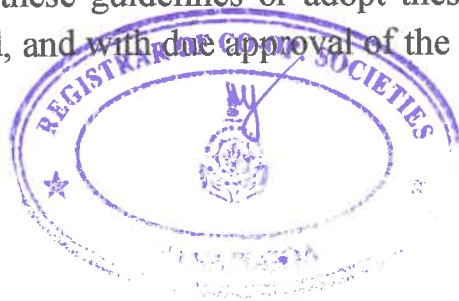
C. The amount compromised shall be deposited by the loanee himself. In no circumstances, the loan compromised under this scheme shall be paid by getting sanctioned loans in the name of other members or through and on behalf of other members. In case any director or office bearer or responsible officer as the case may be is found to be misutilising the scheme by borrowing in the name of any one person and repaying the loan of the other person with the sole intention to take the benefit of one time settlement scheme the person responsible shall be liable for the action.

D. The society shall constitute an independent sub-committee under the nomenclature "One time settlement "sub committee" in which the chairman of the society, two directors, will be the members and the Chief Executive officer/Secretary/Manager will be the member Secretary of the said committee.

The OTS sub-committee constituted for the scheme shall scrutinized the each and every proposal and endorse necessary certificate of recommendation with reason thereof before placing the same for the approval of the BOD in the prescribed annexure enclosed.

The society who has availed any loan, financial assistance, Government Share holding, Guarantees, etc, from the Government shall invariably seek prior approval from the Government before implementing the OTS Scheme.

These are only guidelines issued by the Government. The societies shall based on these guidelines draft their own scheme without disturbing the essence and the texture of these guidelines or adopt these guidelines in toto with certain changes as required, and with due approval of the Board make it applicable.



**Annexure -B
(Dam Duppat)**

Name of the loanee :

Date of disbursement :

Loan sanctioned amount :

1	Amount outstanding on the date of settlement		2	Total Amount outstanding on the date of settlement (A+B)	Amount recovered from date of disbursement	Loan default date	Period of Default in months (from date of default to cut off date) more than 7 years or 84 months	6	Amount to be recovered under Double the Principle	7	Other Incidental charges if any	8	9	10	Balance amount to be recovered under Double the Principle (8-9)	11	Balance amount to be waived under Double the Principle (2-10)	NPA provision as on 31/03/2023
	Principle (A)	Interest receivable (B)																
			3			4	5	6		7		8	9	10		11		12
					Regular EMI													
					Amount													

Certificate by OTS Committee

The OTS (double the principle amount) proposal was discussed with the borrower/ Guaranter and after negotiation, the borrower has accepted to settle his loan account under OTS for an amount of Rs _____ . The said loan account is not declared as willful defaulter, fraud and misappropriation of fund. The society has made an accounted adequate NPA provision as per details mentioned in column no.12 as in the audited balance sheet as on 31/03/2023 before recommending said loan account under OTS. The OTS sub committee was authorised by BoD vide resolution No. _____ dated _____. Further the management is in the opinion that the benefit under OTS incase of secured loan with immovable property was proposed to settle, because settling the said loan will be a viable option rather than going for legal recourse action under the provision of Goa Cooperative Societies Act, 2001 and Rules 2003.

Chairman

Director 1

Director 2

CEO

Members of OTS Sub-Committee

Certificate by BoD

Recommendation from OTS committee for an amount of Rs. _____ is approved in managing committee meeting held on _____ by resolution No _____ with terms and condition as laid down in the OTS scheme.

Signature of Chairman/CEO

Annexure - C

Name of the loanee :

Date of disbursement :

Loan sanctioned amount :

Date of expiry of period :

Repayment period :

Amount outstanding on the date of settlement	Total Amount outstanding on the date of settlement (A+B)	Subsequent period after end of term upto cut off period 31/03/2022	Amount to be recovered under Double the Principle	Other Incidental charges if any	Total (4+5)	Amount recovered from date of sanction	Balance amount to be recovered under Double the Principle (6-7)	Balance amount to be waived under Double the Principle (2-8)	NPA provision as on 31/03/2023
1	2	3	4	5	6	7	8	9	10
Principle (A)									
Interest receivable (B)									

Certificate by OTS Committee

The OTS (double the principle amount) proposal was discussed with the borrower/ Guaranter and after negotiation, the borrower has accepted to settle his loan account under OTS for an amount of Rs _____. The said loan account is not declared as willful defaulter, fraud and misappropriation of fund. The society has made an accounted adequate NPA provision as per details mentioned in column no.10 as in the audited balance sheet as on 31/03/2023 before recommending said loan account under OTS. The OTS sub committee was authorised by BoD vide resolution No. _____ dated _____. Further the management is in the opinion that the benefit under OTS increase of secured loan with immovable property was proposed to settle, because settling the said loan will be a viable option rather than going for legal recourse action under the provision of Goa Cooperative Societies Act, 2001 and Rules 2003.

Chairman

Director 1

Director 2

CEO

Members of OTS Sub-Committee

Certificate by BoD

Recommendation from OTS committee for an amount of Rs. _____ is approved in managing committee meeting held on _____ by resolution No _____ with terms and condition as laid down in the OTS scheme.

Signature of Chairman/CEO

Annexure - D

Name of the loanee :

Date of disbursement :

Gold Loan sanctioned amount :

Date of expiry of period :

Period of repayment :

1	Type of ornament	2		3		4	5	6	7
		Value	Date	Amount recovered under Auction	Amount outstanding on the date of settlement				

Certificate by OTS Committee

The OTS (double the principle amount) proposal was discussed with the borrower/ Guaranter and after negotiation, the borrower has accepted to settle his loan account under OTS for an amount of Rs _____. The said loan account is not declared as willful defaulter, fraud and misappropriation of fund. The society has made an accounted adequate NPA provision as per details mentioned in column no.7 as in the audited balance sheet as on 31/03/2023 before recommending said loan account under OTS. The OTS sub committee was authorised by BoD vide resolution No. _____ dated _____

Chairman

Director 1

Director 2

CEO

Members of OTS Sub-Committee

Certificate by BoD

Recommendation from OTS committee for an amount of Rs. _____ is approved in managing committee meeting held on _____ by resolution No _____ with terms and condition as laid down in the OTS scheme.

Signature of Chairman/CEO