

Policy on collection of Dues and Repossession of Security

1. Introduction :

The debt collection policy of the Bank is built around dignity and respect to customers. Bank will not follow policies that are unduly coercive in collection of dues. The policy is built on courtesy, fair treatment and persuasion. The Bank believes in following fair practices with regard to collection of dues and repossession of security and thereby fostering customer confidence and long-term relationship.

The repayment schedule for any loan sanctioned by the bank will be fixed taking into account your paying capacity and cash flow pattern. The bank will explain to you upfront the method of calculation of interest and how the Equated Monthly Installments (EMI) or payments through any other mode of repayment will be appropriated against interest and principal due from you. The bank would expect you to adhere to the repayment schedule agreed to and approach the bank for assistance and guidance in case of genuine difficulty in meeting repayment obligations.

Bank's security repossession policy aims at recovery of dues in the event of default and is not aimed at whimsical deprivation of the property. The security repossession procedure would be set in motion only after all attempts by the bank to discuss with you the ways and means to overcome the financial hurdles have failed. The policy recognizes fairness and transparency in repossession, valuation and realization of security. All the practices adopted by the Bank for follow up and recovery of dues and repossession of security will be in consonance with the law.

2. General Guidelines

All the members of the staff or any person authorized to represent our Bank in collection or/and security repossession would follow the guidelines set out below:

- i) You would be contacted ordinarily at the place of your choice and in the absence of any specified place, at the place of your residence and if unavailable at your residence, at the place of business/occupation.
- ii) Identity and authority of persons authorized to represent bank for follow up and recovery of dues would be made known to you at the first instance. The bank staff or any persons authorized to represent the bank in collection of dues or / and security repossession will identify

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himself / herself and display the authority letter issued by the bank upon request.

- iii) The bank would respect your privacy.
- iv) The bank is committed to ensure that all written and verbal communication with you will be in simple business language and bank will adopt civil manners for interaction with borrowers.
- v) Normally the bank's representatives will contact you between 0700 hrs and 1900 hrs, unless the special circumstance of your business or occupation requires the bank to contact at a different time.
- vi) Your request to avoid calls at a particular time or at a particular place would be honoured as far as possible.
- vii) The bank will document the efforts made for the recovery of dues and the copies of communication sent to you, if any, will be kept on record.
- viii) All assistance will be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- ix) Inappropriate occasions such as bereavement in the family or such other calamitous occasions will be avoided for making calls / visits to collect dues.

3. Giving notice to borrowers

While written communications, telephonic reminders or visits by the bank's representatives to your place or residence will be used as loan follow up measures, the bank will not initiate any legal or other recovery measures including repossession of the security without giving due notice in writing. Minimum 60 days time will be given to you to pay the debt failing which the bank will proceed to take possession of the asset. The notice shall be given by Registered Post with Acknowledgement Due. However, where the Bank has reasons to believe that you are avoiding acknowledgement, it will follow all such procedures as required under law for recovery / repossession of security.

4. Repossession of Security

Repossession of security is aimed at recovery of dues and not to deprive you of the property. The recovery process through repossession of security will involve repossession, valuation of security and realization of security through appropriate means. All these would be carried out in a fair and transparent manner. Repossession will be done only after issuing the notice as detailed above. Due process of law will be followed while taking repossession of the property. The bank

will take all reasonable care for ensuring the safety and security of the property after taking custody, in the ordinary course of the business.

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5. Valuation and sale of Property

Valuation and sale of property repossessed by the bank will be carried out as per law and in a fair and transparent manner. Before effecting sale (save and except in case of moveable property subject to speedy or natural decay or expenses for custody exceeds its value), you shall be given 30 days' notice for the intended sale. If sale is to be effected either by inviting tenders from the public or by holding public auction, copy of public notice shall also be sent to you. The bank will have right to recovery from you the balance due if any, after sale of property. Excess amount if any, obtained on sale of property will be returned to you after meeting all the related expenses provided the bank is not having any other claims against you.

6. Opportunity for the borrower to take back the security

As indicated earlier the policy document, the bank will resort to repossession of security only for purpose of realization of its dues as the last resort and not with intention of depriving you of the property. Accordingly the bank will be willing to consider handing over possession of property to you any time after repossession and before concluding sale transaction of the property, provided the bank dues are cleared in full. If satisfied with the genuineness of your inability to pay the loan installments as per the schedule which resulted in the repossession of security, the bank may consider handing over the property after receiving the installments in arrears. However, this would be subject to the bank being convinced of the arrangement made by you to ensure timely repayment of remaining installments in future. In such cases possession of asset will be returned to you/person concerned immediately, maximum within 10 days, on payment of defaulted amount and/or execution of supplementary agreement/consent and confirmation of guarantors as the case may be.