

Collection of Dues and Repossession of Security Policy

1. Introduction:

The debt collection policy of the bank is built around dignity and respect to customers and 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. Our 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. 'Collection of Dues and Repossession of Security Policy' is adopted voluntarily.

2. General Guidelines:

All members of staff or any person authorised to represent our bank in security repossession would follow the guidelines set out below:

- Customer would be contacted ordinarily at the place of his choice and in the absence of any specified place, at the place of his/her residence and if unavailable at his/her residence, at the place of business/occupation.
- Identity and authority of persons authorised to represent bank for follow up and recovery of dues would be made known to the borrowers at the first instance. The bank staff or any person authorised to represent the bank in collection of dues or/and security repossession will identify himself/herself and display the authority letter issued by the bank upon request.
- The bank would respect privacy of its borrowers.
- The bank is committed to ensure that all written and verbal communication with its borrowers will be in simple business language and bank will adopt civil manners for interaction with borrowers.
- Normally the bank's representatives will contact the borrower between 0700 hrs and 1900 hrs, unless the special circumstances of the borrower's business or occupation requires the bank to contact at a different time.
- The bank will document the efforts made for the recovery of dues and the copies of communication sent to customers, if any, will be kept on record.
- All assistance will be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits to collect dues.

3. Giving Notice to Borrowers:

Written communications, telephonic reminders or visits by the bank's representatives to the borrowers place or residence will be used as loan follow up measures. Bank will initiate legal or other recovery measures including repossession of security only after giving due notice in writing under registered post to the borrowers. Bank 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 relieve the borrower of the property. The recovery process through repossession of security will involve repossession, valuation of security and realisation 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.

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. The bank will have right to recover from the borrower the balance due if any, after sale of property. Excess amount if any, obtained on sale of property will be returned to the borrower after meeting all the related expenses provided the bank is not having any other claims against the customer.

6. Opportunity for the borrower to take back the security:

The bank will resort to repossession of security only for the purpose of realisation of its dues as the last resort and not with intention of depriving the borrower of the property. Accordingly the bank will be willing to consider handing over possession of property to the borrower any time after repossession and before concluding sale transaction of the property, provided the bank dues are cleared in full.