

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 is fixed taking into account paying capacity and cash flow pattern of the borrower(s). The Bank will explain to the customer upfront the method of calculation of interest and the repayment terms and how the payments are to be made – by debit to the borrower’s Current / Overdraft account or payments through any other mode of repayment will be appropriated against interest and principal due from the borrower(s). The Bank would expect the customers 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 by enforcing the security of property (including any movable assets), if any, provided by the borrower in the event of default and is not aimed at whimsical deprivation of the property. 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 the Bank in collection and/or security repossession would follow the guidelines set out below:

- (i) The customer would be contacted ordinarily at the place of their corporate office and if unavailable at their corporate office, at any other office where their authorized representatives would normally be available.
- (ii) The Bank is committed to ensure that all written and verbal communication with its borrowers will be in simple business language.
- (iii) 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.

- (iv) All assistance will be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.

3. Giving notice to borrowers

While written communications, telephonic reminders or visits by the Bank's representatives to the borrowers' place of business 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. 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 deprive the borrower of the property that they have provided as security to the Bank. The recovery process through repossession of property 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.

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

As indicated earlier in the policy document, the Bank will resort to repossession of security only for the purpose of realization of its dues and not with intention of depriving the borrower of the property. Accordingly the Bank will be willing to consider, at its sole discretion, handing over possession of property to the borrower any time after repossession and before concluding sale transaction of the property, provided the Bank's dues are cleared in full.
