

The Dues Collection Policy of the Bank is built on fairness, dignity and persuasion to deal with customers. The Bank shall not follow policies that are unduly coercive in collection of dues. The bank believes in following fair practices with regards to collection of dues and considers repossession of security as a last resort.

The repayment schedule for any loan sanctioned by the bank shall be fixed taking into account paying capacity and cash flow pattern of the borrower. The concerned employees of the Bank shall explain to the customer upfront the method of calculation of interest and how the weekly or monthly payments through any other mode of repayment shall be appropriated against interest and principal due from the customers. The Bank shall expect the customers to adhere to the repayment schedule agreed to and to 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 events 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 shall be in consonance with the relevant laws.

General Guidelines

1. All the members of the staff or any person authorized to represent the Bank in collection or/ and security repossession shall follow the guidelines set out below:
2. The customer shall be contacted ordinarily at the place of his/her residence and if unavailable at his/ her residence, at the place of business/ occupation.
3. An employee or an external agency shall be identified and authorized to represent the Bank for follow-up and recovery of dues and the same shall be made known to the borrowers at the first instance. The bank's staff or any person authorized to represent the bank in collection of dues or/and security repossession shall identify himself/herself and display the authority letter issued by the bank upon request.
4. The Bank shall respect privacy of the borrowers.
5. The Bank shall ensure that all written and verbal communication with the customers are in simple business language and polite.
6. Normally the Bank's representative shall contact the borrower between 0700 hrs. and 1900 hrs., unless the special circumstance of his/ her business or occupation requires the bank to contact at a different time or the contact is through email/ SMS/ regular mail. Such contact shall be made over phone/mobile/fax/email/SMS/ regular mail or in person.
7. Borrower's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.
8. The Bank shall document the efforts made for the recovery of dues and the copies of communication sent to the customers if any, shall be kept on record.
9. All assistance shall be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
10. Inappropriate occasions such as bereavement in the family or such other calamitous occasions shall be avoided for making calls/visits to collect dues.

Giving Notice to Borrowers

While written communication, telephonic reminders, communication over mobile, fax, e-mail or visits by the bank's representatives to the borrowers' place of choice or residence shall be used as loan follow-up measures, the Bank shall not initiate any legal or other recovery measures including repossession of the security without giving due notice in writing. The Bank shall follow all such procedures as required under law for recovery/repossession of security.

Repossession of Security

Repossession of security is aimed at recovery of dues and not to deprive the borrower of the property. The recovery process through repossession of security shall involve repossession, valuation of security and realization of security through appropriate means. All these shall be carried out in a fair and transparent manner. Repossession shall be done only after issuing the notice as detailed above. Due process of law shall be followed while taking repossession of the property. The Bank shall take all reasonable care for ensuring the safety and security of the property after taking custody, in the ordinary course of the business and the necessary cost will be charged to the borrower.

Valuation and Sale of Property

Valuation and sale of property repossessed by the Bank shall be carried out as per law and in a fair and transparent manner. The bank shall have right to recover from the borrower the balance due, if any, including the expenses incurred in repossessing the property and ensuring its safety and security before sale of property. Excess amount if any, obtained on sale of property shall be returned to the borrower after meeting all the related expenses, provided the bank is not having any other claims against the customer.

In the case of hypothecated assets after taking possession if no payment is forthcoming, a sale notice of 7 days time to respond will be sent to the borrower. Thereafter the bank will arrange for sale of the hypothecated assets in such manner as deemed fit by the bank. In respect of cases under SARFAESI Act as per the provisions of the Act, 30 days notice of sale will be sent. When public auction or by tender is envisaged, the same will be published in two leading news papers out of which one is a local vernacular paper.

Opportunity for the borrower to take back the security

The Bank shall 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 shall consider 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. If satisfied with the genuineness of the borrower's 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 shall be subject to the bank being convinced of the arrangements made by the borrower to ensure timely repayment of remaining installments in future. In case the borrower again defaults in making repayment the Bank shall not hand over the possession.

Engagement of Recovery Agents

1. The bank may utilize the services of recovery agents for collection of dues and repossession of securities. Recovery agents will be appointed as per regulatory guidelines issued in this regard, including mandatory training.
2. The name and address of all Recovery Agents on the bank's approved panel of the bank will be placed on the bank's website for information and concerned.
3. Only recovery agents from the approved panels will be engaged by the bank.
4. In case bank engages service of such recovery/enforcement/seizure agent for any recovery case, the identity of the agent will be disclosed to the borrower.
5. The recovery agents engaged by the bank will be required to follow a code of conduct covering their dealings with customers.
6. The policy guidelines on Collection of Dues and Repossession of Security as enumerated above are made available on Bank's website for the convenience of customers.
7. The Head – Collections, with the approval of the Chief Risk Officer, shall finalize the operational procedures for engaging recovery agents.