

SyndicateBank
Corporate Office :: Bangalore
Recoveries Department

Code for 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 paying capacity and cash flow pattern of the borrower. The Bank will explain to the customer 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 the customers. 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 in the event of default and is not aimed at whimsical deprivation of the property. The policy reorganizes 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. In the case of hypotheca after exhausting all possible mode like personal contacts, reminder over phone etc a notice of minimum 24 hours duration will be sent about repossession. In respect of cases under **SARFAESI Act** notice will be issued as prescribed in the Act.

2. General Guidelines:

- i. The customer would be contacted ordinarily at the place of his/her choice and in the absence of any specified place, the place of his/her residence and if unavailable at his/her 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 the borrowers at the first instance. The bank staff or any person authorized 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.
- iii. The bank would respect privacy of its borrowers.

- iv. The bank is committed to ensure that all written and verbal communication with its borrowers will be in simple business language and bank would adopt civil manners for interaction with borrowers.
- v. Normally the bank's representatives will 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.
- vi. Borrower's request to avoid calls at a particular time or at a particular place would be honored as far as possible. 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.
- vii. All assistance will be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- viii. 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 the borrowers 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. Bank will follow all such procedures as required under law for recovery/repossession of security. In the case of Hypotheca a written notice will be sent by Registered Post: AD or Courier Post or Certificate of Posting giving a minimum of 24 hours notice. In respect of cases under SARFAESI Act as per the provisions 60 days notice will be sent by Registered Post AD, or Speed Post or Courier Post or Fax or E Mail etc.

4. 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 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. In the case of hypotheca after taking possession if no payment is forthcoming a sale notice of 7 days duration will be sent with date, venue and time of sale. In respect of cases under SARFAESI Act as per the provisions of the Act, 30 days notice of sale will be sent wherever needed. When public auction or by tender is arranged, the same will be published in two leading news papers out of which one is in local vernacular.

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 as the last resort and not with intension 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. If satisfied with the genuineness of borrower's inability to pay the loan installments as per the schedule which resulted in the repossession of the 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 arrangements made by the borrower to ensure timely repayment of remaining instalments in future.

If the amount/dues are repaid either as stipulated by the Bank or to the satisfaction of the Bank the possession will be returned to the borrower within seven days after getting permission from the competent/sanctioning authority or the Court /DRT concerned in respect of accounts where recovery proceedings are filed and pending.

7. Grievance Redressal

At Regional Office level:

A complaint can be made to the Regional Head (The Code Compliance Officer). The Regional Office would make effort for redressal of grievance within two weeks of receipt of the complaint.

At Corporate Office level:

In the event of not being satisfied with the reply given by the Regional Head, an appeal can be filed before the General Manager, Planning & Development Department at Corporate Office: Bangalore (The Principal Code Compliance Officer) in which case effort would be made for redressal of the grievance within four weeks of receipt of appeal.

Ordinarily the response to the complaint whether positive or negative or requiring more time for redressal would be given within a maximum period of two weeks at Regional level and four weeks at Corporate Office level from the date of receipt of complaint/appeal unless the nature of complaint calls for verification of voluminous facts and figures.
