

Policy on Collection of Dues and Repossession of Security

1. Introduction

The collection policy of the Bank is based on principle of dignity and respect to customers. The Bank believes in following fair practices with regards to collection of dues and repossession of security thereby fostering customer confidence and long-term relationship and ensures that there is no coercive practice followed while collecting the dues.

The repayment schedule for any loan sanctioned by the Bank is fixed considering repayment capacity and cash flow pattern of the borrower. The Bank explains to the customer upfront the method of calculation of interest and how the Equated Monthly Instalments ('EMI') or payments through any other mode of repayment are appropriated against interest and principal due from the customers. The Bank expects the customers to adhere to the repayment schedule agreed to and approach it for assistance and guidance in case of genuine difficulty in meeting repayment obligations.

The 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 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 are in consonance with the Law. The security repossession procedure is set in motion only after all attempts by the Bank to discuss with the borrower the ways and means to overcome the financial hurdles/default in payment have failed. As an exception, it is to be noted that the Bank has the right to possess the financed asset, as a preventive measure, even in instances where there has been no default but violation of the terms and conditions of the Loan Agreement.

2. General Guidelines

The policy is based on the following guidelines:

- All communications to the customer are in writing, by telephone, through SMS/ Email/ any other electronic mode, or through personal visit. The customer is contacted by telephone on the numbers (residence/ workplace/ mobile) provided by him/ her in the application form filled in at the time of taking the loan/modified subsequently as intimated to the Bank. If the customer is not responding/not reachable over telephone or not paying even after telephonic request, the Bank's representatives make personal visits to the customer's residence/workplace/ designated place during reasonable hours of the day.
- It shall be the responsibility of the borrower to keep updating their contact details. In case the bank is unable to contact the borrower at the details provided, the bank will access information available from public sources for connecting with the borrower.
- The Bank staff or any person authorized to represent the Bank in collection of dues or/and security repossession identifies himself / herself and displays the authority letter covering identification details or ID Card issued by Bank upon request.
- The Bank respects privacy of its borrowers.
- The Bank is committed to ensure that all written and verbal communication with its borrowers is in simple business language and the Bank adopts civil manners for interaction with borrowers.
- The Bank's representatives will usually contact the borrower between 0900 hours to 1800 hours for Microfinance borrowers and 0800 hours and 1900 hours for other borrowers, unless the special circumstance of his/her business or occupation requires the Bank to contact at a different time.
- Borrower's requests to avoid calls at a particular time or at a particular place are honoured as far as possible.
- The Bank documents the efforts made for the recovery of dues, as far as possible and the copies of communication sent to customers, if any, are kept on record.
- All assistance is given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- Inappropriate occasions such bereavement in the family or other important family functions like marriages are avoided for making calls/ visits to collect dues.
- Up-to-date details of the recovery agency engaged by the Bank are displayed on the Banks website under following links:
Loans and Credit Cards: [List of Collection Agencies - Axis Bank](#)
- List of Business Correspondents (BCs) appointed by the empanelling team within the Bank for financial inclusion and recovery efforts are displayed at the bank's website.

- The Bank provides the loan account statement to its customers on request basis when changes in period of loan, quantum of EMI etc. take place. Changes in the rate of interest are communicated to the customers as and when they are affected.
- The Bank bears the cost of getting duplicate sale deed in case the original furnished to it is misplaced at its end on account of any eventuality.
- In case of death of the customer, as a measure of support/service gesture, the bank will establish contact with the deceased borrower's family/legal heirs empathising the situation, aid them for an amicable closure of the account with the bank. In case they have any insurance as credit protection, the bank will guide them with insurance related information as applicable.

3. Giving notice to borrowers

- While written communications, telephonic reminders or visits by the Bank's representatives to the borrower's place or residence are being used as follow up measures, the Bank does not initiate any legal or other recovery measures including repossession of the security without giving due notice in writing to the borrower for recovery of dues.
- The Bank follows all such procedures as required under law for recovery / repossession of security and for appointment of recovery agents.
- The notice mentions the number of days within which the payment is to be made and also stipulates the minimum time that is given to the borrower to pay the debt, failing which the Bank will proceed to take possession of the asset.
- In the case of sale of an asset, a notice is issued to the borrower before proceeding with the sale of the asset.

4. Repossession of Underlying Asset

- Repossession of underlying asset is aimed at recovery of dues and not to deprive the borrower of the underlying asset. The recovery process through repossession of underlying asset involves repossession, valuation of underlying asset and realization of the same through appropriate means. All these are carried out in a fair and transparent manner.
- Repossession of underlying asset is done only after issuing the notice as detailed above.
- Due process of law is followed while taking repossession of the underlying asset. The Bank takes all reasonable care for ensuring the safety and security of the underlying asset after taking custody in the ordinary course of the business.
- The Bank displays on its website, information in respect of the borrowers whose underlying assets have been taken into possession by the Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest ('SARFAESI') Act 2002.

5. Valuation and Sale/ Auction of Underlying Asset

- Valuation and sale/ auction of underlying asset repossessed by the Bank is carried out as per legal provisions, if any, and in a fair and transparent manner.
- The Bank has a right to recover from the borrower the balance due, if any, after sale/ auction of underlying asset. Excess amount, if any, obtained on sale/ auction of such asset is 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 underlying asset

- As indicated earlier in the policy document, the Bank resorts to repossession of underlying asset only for the purpose of realization of its dues as a last resort and not with the intention of depriving the borrower of the underlying asset. Accordingly, the Bank indicates its willingness to consider handing over possession of underlying asset to the borrower any time after repossession and before concluding the sale/ auction transaction of the underlying asset provided the Bank dues are cleared in full.
- If satisfied with the genuineness of the borrower's inability to pay the loan instalments as per the schedule, which resulted in the repossession of underlying asset, the Bank may consider handing over the underlying asset after receiving entire outstanding (if loan was written off) / the instalments in arrears and all overdue, penal charges and expenses incurred on repossession of the underlying asset. However, this is subject to the Bank being convinced of the arrangements made by the borrower to ensure timely repayment of remaining instalments in future.
- The Bank returns the repossessed asset possessed under SARFAESI Act 2002 within 15 days to the borrower after settlement of all claims.