



## Policy on Collection of Dues and Repossession of Security

### 1. Introduction:

The Barclays Bank Plc, India (“**the Bank**”) policy on collection of dues and re-possession of security (“**the Policy**”) is built around dignity and respect to Borrowers. The Bank will not follow a practice that is 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 Borrower’s confidence and long-term relationship.

The sanction of the loan and the repayment schedule for any loan sanctioned by the Bank will take into account the repayment capacity of the borrower. The schedule of repayment is issued to the customer at the time of disbursal of the sanctioned loan amount, and explains the frequency of repayment and the broad terms of the loan. The Bank will explain to the Borrowers upfront the method of calculation of interest and how the Equated Monthly Instalments (EMI) or payments through any other mode of repayment will be appropriated against interest and principal due from the Borrowers. The Bank would expect the Borrowers 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.

The Policy regarding security repossession 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 will be inconsonance with the prevalent law.

### 2. General Guidelines:

All employees and authorised representatives of the Bank (“**Bank Representatives**”) engaged in collection or/and security repossession would follow the guidelines set out below:

1. The Borrower would be contacted ordinarily at the place of his/her 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.
2. 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 Representatives will identify himself / herself and display the authority given to them for this purpose upon request.
3. The Bank will respect privacy of its Borrowers.
4. The Bank is committed to ensure that all written and verbal communication with its Borrowers will be in simple business language and the Bank will adopt civil manners for interaction with Borrowers.
5. Normally the Bank Representatives will contact the Borrowers 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.
6. Borrowers’ request to avoid calls at a particular time or at a particular place would be honoured as far as possible.



7. The Bank will document the efforts made for the recovery of dues and the copies of communication set to the Borrowers, if any, will be kept on record.

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

9. 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 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. Before initiating repossession of any property financed by the Bank, a notice as required under the prevalent law will be issued to the Borrower to foreclose the loan account. Further, acknowledgement of the notice will be tracked through Registered AD slip & maintained. If the notice is not delivered / accepted, the same may also be published in the news papers (English / Vernacular).

The 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. 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 in conformity with law and applicable rules and regulations.

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 shall serve to the Borrower a notice required under law for sale of the property repossessed. The Bank will have right to recover from the Borrower the balance due if any, after sale of property. The Bank shall have the right of lien, set-off and appropriation, present as well as future all account / deposits of the Borrower with the Bank, to the extent of all outstanding dues to the Bank. For such purposes, the Bank may at its sole discretion, close the deposit(s) prematurely and applies a penal rate of interest in respect of the same. The lien shall be valid and binding on the Borrower and operative until repayment in full of all moneys due to the Bank from the Borrower. The 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 Borrower.

### **6. Opportunity for the borrower to take back the security**

As indicated earlier in the Policy, the Bank will resort to repossession of security only for the purpose of realization 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 within the time frame specified by the Bank. If satisfied with the genuineness of Borrower's inability to pay the loan instalments as per the schedule, which resulted in the repossession of security, the Bank may consider handing over the property after receiving the instalments 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. Once the above mentioned criteria's are met, the Bank will hand over the possession of the property to the borrower within 30 working days after settlement of all dues.

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