

## Security Repossession

Repossession of secured assets under SARFAESI Act, 2002 is aimed at recovery of dues and not to deprive the borrower of the secured assets. The recovery process through repossession of secured assets will involve repossession, valuation of secured assets and realization of secured assets 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 in the section involving SARFAESI Act above. Due process of law will be followed while taking repossession of the secured assets. The Bank shall take all reasonable care for ensuring the safety and security of the secured assets after taking custody, in the ordinary course of the business and relevant cost will be charged to borrower.

### Valuation & Sale of Secured Assets

Valuation and sale of secured assets repossessed by the bank shall be carried out as per the law and in a fair and transparent manner. The bank shall have the right to recover from the borrower the balance due if any, after sale of secured assets. Excess amount if any, obtained on sale of the secured assets shall be paid to the person entitled thereto in accordance with his rights and interests, after meeting all the related expenses, provided the bank is not having any other claims against the customer. The bank's right to general lien and its implications will be made clear to the borrower while executing the loan documents.

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 shall 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 shall be sent. When public auction or tender is envisaged, the same shall be published in two leading newspapers out of which one is in local vernacular paper.

### Opportunity for the Borrower to take back the Secured Assets

The bank shall resort to repossession of secured assets only for the purpose of realization of its dues as the last resort and not with the intention of depriving the borrower of the secured assets. Accordingly, the bank shall be willing to consider handing over possession of secured assets to the borrower after repossession and before concluding sale transaction of the secured assets, provided the bank's dues are cleared in full. If satisfied with the genuineness of borrower's inability to pay the loan instalments as per the schedule, which resulted in the repossession of secured assets, the bank will hand over the secured assets after receiving the instalments in arrears. However, this would be subject to giving an undertaking by the borrower to repay the remaining instalments / dues in future and to maintain the loan account as performing asset until closure of the account as per the terms of the loan agreement(s) to the satisfaction of the bank.

If the amounts are repaid, either as stipulated by the bank or dues settled as agreed to, possession of seized assets shall be handed back to the borrower within 7 working days after the date of permission from the competent authority of the bank or Court / DRT concerned if recovery proceedings are filed and pending before such forums.

### Display of information - Secured assets possessed

The Bank shall display information in respect of the borrowers whose secured assets have been taken into possession by the REs under the SARFAESI Act. The Bank shall upload this information on their website in the format prescribed by the RBI. This list shall be updated on a monthly basis.

### Loan Closure Process

Customers can submit a formal request to the bank for closure of the loan through any of the banking channels available to them viz. branch, mobile app, etc. The following procedure shall be followed in case of regular closure of loans –

### NOC / NDC Issuance and Release of Securities

- Upon successful receipt and acceptance of the request by the bank, the central team verifies the



customer's loan account details, checks whether the customer has paid all the charges / dues, etc.

- If any security is attached with the loan, CERSAI release is undertaken once the customer clears all the outstanding dues. Originals of all documents (LOD) taken at the time of creating the security are handed over to the customer and an acknowledgement for the handover is taken from them.
- Loan is marked closed in the CBS and a soft copy of the No – Objection – Certificate (NOC) or No-Dues Certificate (NDC) is mailed to the Customer and the branch at the end.

