

DHAR MOTOR FINANCE CLIMITED

Date-23-08-2024

POLICY ON COLLECTION OF DUES AND REPOSSESSION OF SECURITY 2024-25

1. Introduction:

The Company believes in following practices with regard to collection dues and repossession of security and thereby fostering customer confidence and loan term relationship.

The repayment schedule for any loan sanction by the company will be fixed taking into account paying capacity and cash flow pattern of the borrower. The company will explain to the customer upfront the method of calculation of interest and how the Equated Monthly Instalment (EMI) or any other mode of repayment will be appropriated against interest and principal due from the customers. The method of collection of EMI (say post-dated cheque, direct debit, ECS, NACH etc.) would be fixed taking into consideration the convenience of the borrower. The company would expect the customer to adhere to the repayment schedule agreed to and approach the company for assistance and guidance in case of genuine difficulty in meeting repayment obligations.

Company's security Repossession Policy aims at recovery of dues in the event of default and is not aimed at whimsical deprivation of the property/asset. The policy recognizes fairness and transparency in repossession, valuation and realization of security. All the practices adopted by the company for follow up and recovery of dues and repossession of security will be inconsonance with the law. Security repossession would commence after other attempts by the company to discuss with the borrower the means to resolve the default situations have failed. In exception situations, the company has the right to repossess the financed asset, as a preventive measure, even in instances where there has been no default but on account of mis-statement of information by the customer that is in violation to the terms and conditions of the loan agreement.

2. General Guidelines:

All the members of the staff or any person authorized to represent our company in collection or/and security repossession would follow the guidelines set out below:

1. The customer 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 company for follow up and recovery of dues would be made known to the customers at the first instance. The company staff or any person authorised to represent the company in collection of dues or/and security repossession will identity himself / herself and display the authority letter issued by the company and upon request.

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3. The company would respect privacy of its borrowers. It shall however be noted that contacting the borrower on phone or personal visits for recovery of dues (in line with this model policy) will not be construed as an intrusion of the privacy of the borrower.
4. All assistance will be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
5. 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 telephonic reminders in local language or visits by the company's representatives to the borrowers place or residence will be used as loan follow up measure, the company will not initiate any legal or other recovery measures including repossession of the security without giving due notice in writing.

4. REPOSSESSION OF SECURITY THROUGH LEGAL RECOURSE

Repossession of security is aimed at recovery of dues and not to deprive the borrower of the property/asset. 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.

The Company decided to repossess the vehicle with the purpose of recovery of overdue amount in two ways

1. Recovery through outside recovery agencies, licensed and authorised for this purpose.
2. Repossess the vehicle by companies' employees and to keep the vehicle in companies stock yard. When the goods/ vehicle are lying in the stock yard the company will ensure the preventive care, security and minimum maintenance of the seized vehicle. The keys of the vehicle, while the vehicle is in the stock yard will be the joint custody of branch manager and stock yard manager.

5. SALE OF PROPERTY:

Sale of property repossessed by the company will be carried out as per law and in a fair and transparent manner. The company 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.

6. OPPORTUNITY FOR THE BORROWER TO TAKE BACK THE SECURITY:

As indicated earlier in the policy document the company will resort to repossession of security only for the purpose of realization of its dues as a last resort and not with intention of depriving the borrower of the property/asset. Accordingly the company will be willing to consider handing over possession of property/asset to the borrower any time after repossession and before concluding sale transaction, provided the company dues are cleared in full.

7. ENGAGEMENT OF RECOVERY AGENT:

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The company 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. In this respect:

- a) Only recovery agents from the empanelled vendors will be engaged by the company.
- b) In case company engages service of such recovery/enforcement/seizure agent for any recovery case, the identity of the agent will be disclosed to the borrower.
- c) The recovery agents engaged by the company will be required to follow a code of conduct covering their dealings with customers.

For Dhara Motor Finance Limited

It was put up before the board and same was approved vide Board Resolution No. 6 Dated 16-07-2024.

Gajendra Singh
Managing Director

G.S.Chauhan
Executive Director