

LOAN RECOVERY AND POSSESSION/REPOSSESSION OF SECURITY POLICY OF CSL FINANCE LIMITED

Policy on Collection of Dues and Possession/Repossession of Security/Collaterals. Any expression not defined herein shall have the same meaning as assigned to it in the loan agreement and/or associated finance/transaction documents executed amongst the parties.

Introduction

The debt collection policy of CSL Finance Limited (in short “CSL”) is built around dignity and respect to Borrowers and Co-Borrowers/Security Providers. CSL will not follow policies that are unduly coercive in collection of Dues. The policy is built on courtesy, fair treatment and persuasion. CSL believes in following fair practices with regard to collection of dues and repossession of security, and thereby fostering borrower confidence and long-term relationship.

The repayment schedule for any **business loan/retail loan/project finance, etc.** sanctioned by CSL will be fixed taking into account paying capacity and cash flow pattern of the Borrower. CSL will explain to the Borrower and Co-Borrowers/Security Providers 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. CSL would expect the Borrowers to adhere to the repayment schedule agreed to and approach CSL for assistance and guidance in case of genuine difficulty in meeting repayment obligations.

CSL'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 CSL for follow up and recovery of dues and repossession of security will be inconsonance with the laws of India.

General Guidelines

All the employees' of CSL or any person authorized to represent CSL in collection or/and security repossession would follow the guidelines set out below:

- a. The Borrower and Co-Borrowers/Security Providers would be contacted ordinarily at the place of his/her/its choice, and in the absence of any specified place, at the place of his/her residence or its registered/head/corporate/branch/liason office, and if unavailable at his/her residence or its registered/head/corporate/branch/liason office, at the place of business/occupation;
- b. Identity and authority of persons authorized to represent CSL for follow up and recovery of dues would be made known to the Borrowers and Co-Borrowers/Security Providers at the first instance. CSL employees or any person authorized to represent CSL in collection of dues or/and security repossession will identify himself / herself and display the authority letter issued by CSL upon request;
- c. CSL would respect privacy of its Borrowers and Co-Borrowers/Security Providers;
- d. CSL is committed to ensure that all written and verbal communication with its Borrowers and Co-Borrowers/Security Providers will be in simple business language, and CSL will adopt civil manners for interaction with Borrowers and Co-Borrowers/Security Providers;
- e. Normally CSL's representatives will contact the borrower between **0700 hrs and 1900 hrs**, unless the special circumstance of his/her business or occupation requires CSL to contact at a different time;
- f. Borrower's or/and Co-Borrowers/Security Providers requests to avoid calls at a particular time or at a particular place would be honored as far as possible;

- g. CSL will document the efforts made for the recovery of dues and the copies of communication set to Borrowers and Co-Borrowers/Security Providers, if any, will be kept on record;
- h. All assistance will be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner;
- i. Inappropriate occasions such as bereavement in the family or such other calamitous occasions will be avoided for making calls/visits to collect dues.

Giving notice to Borrowers and Co-Borrowers/Security Providers

While written communications, telephonic reminders or visits by CSL's representatives to the Borrowers place or residence will be used as loan follow up measures, CSL will not initiate any legal or other recovery measures including repossession of the Property/Security without giving due notice in writing. CSL will follow all such procedures as required under the laws of India for recovery/repossession of Property/Security.

Recovery/Possession/Repossession of Property/Security

Repossession of Property/Security is aimed at recovery of dues and not to deprive the Borrower and Co-Borrowers/Security Providers of the Property/Security. The recovery process through repossession of Property/Security will involve repossession, valuation of security and realization of Property/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/Security. CSL will take all reasonable care for ensuring the safety and security of the property after taking custody, in the ordinary course of the business.

Valuation and Sale of Property

Valuation and sale of Property/Security repossessed by CSL will be carried out as per law and in a fair and transparent manner. CSL will have right to recover from the Borrower and Co-

Borrowers/Security Providers the balance due if any, after sale of Property/Security. Excess amount if any, obtained on sale of property will be returned to the Borrower and Co-Borrowers/Security Providers after meeting all the related expenses provided CSL is not having any other claims against the Borrower.

Opportunity for the Borrower and Co-Borrowers/Security Providers to take back the security/collateral

As indicated earlier in the policy document, CSL 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 and Co-Borrowers/Security Providers of the Property/Security. Accordingly, CSL will be willing to consider handing over possession of Property/Security to the Borrower and Co-Borrowers/Security Providers any time after taking physical/symbolic possession of the property and before concluding sale transaction of the Property/Security, provided CSL 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 Property/Security, CSL may consider handing over the Property/Security after receiving the installments in arrears. However, this would be subject to CSL being convinced of the arrangements made by the Borrower and Co-Borrowers/Security Providers to ensure timely repayment of remaining installments in future. Borrower and Co-Borrowers/Security Providers needs to follow the loan recovery policy.

For queries related to the Policy, please write to us at: info@cslfinance.in

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