

Recovery Policy

Policy on Collection of Dues and Possession of Security. Any expression not defined herein shall have the same meaning as assigned to it in the Loan Agreement.

Introduction

The debt collection policy of BSG Finance is built around dignity and respect to Borrowers. BSG Finance will not follow policies that are unduly coercive in collection of Dues. The policy is built on courtesy, fair treatment and persuasion. BSG Finance believes in following fair practices with regard to collection of dues and possession of security and thereby fostering borrower confidence and long-term relationship.

The repayment schedule for any home loan or small business loan sanctioned by BSG Finance will be fixed taking into account paying capacity and cash flow pattern of the Borrower. BSG Finance will explain to the Borrower upfront the method of calculation of interest and how the Equated Monthly Installments (EMI) or payments through any other mode of repayment will be appropriated against interest and principal due from the Borrowers. BSG Finance would expect the Borrowers to adhere to the repayment schedule agreed to and approach BSG Finance for assistance and guidance in case of genuine difficulty in meeting repayment obligations.

BSG Finance's Security Possession 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 possession, valuation and realization of security. All the practices adopted by BSG Finance for follow up and recovery of dues and possession of security will be inconsonance with the law.

General Guidelines

All the members of the staff or any person authorized to represent BSG Finance in collection or/and security possession would follow the guidelines set out below:

- a.) 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.
- b.) Identity and authority of persons authorized to represent BSG Finance for follow up and recovery of dues would be made known to the borrowers at the first instance. BSG Finance staff or any person authorized to represent BSG Finance in collection of dues or/and security possession will identify himself / herself and display the authority letter issued by BSG Finance upon request.
- c.) BSG Finance would respect privacy of its Borrowers.

d.) BSG Finance is committed to ensure that all written and verbal communication with its Borrowers will be in simple business language and BSG Finance will adopt civil manners for interaction with borrowers.

e.) Normally BSG Finance's representatives will contact the borrower between *10 am and 7 pm*, unless the special circumstance of his/her business or occupation requires BSG Finance to contact at a different time.

f.) Borrower's requests to avoid calls at a particular time or at a particular place would be honored as far as possible.

g.) BSG Finance will document the efforts made for the recovery of dues and the copies of communication set to Borrowers, 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

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

Recovery/Possession of Property/Security

Possession of Property/Security is aimed at recovery of dues and not to deprive the Borrower of the Property/Security. The recovery process through possession of Property/Security will involve possession, valuation of security and realization of Property/Security through appropriate means. All these would be carried out in a fair and transparent manner. Possession will be done only after issuing the notice as detailed above. Due process of law will be followed while taking possession of the Property/Security. BSG Finance 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 possessed by BSG Finance will be carried out as per law and in a fair and transparent manner. BSG Finance will have right to recover from the Borrower 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 after meeting all the related expenses provided BSG Finance is not having any other claims against the Borrower.

Opportunity for the borrower to take back the security

As indicated earlier in the policy document, BSG Finance Housing Finance will resort to possession 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/Security. Accordingly BSG Finance will be willing to consider handing over possession of Property/Security to the Borrower any time after possession and before concluding sale transaction of the Property/Security, provided BSG Finance dues are cleared in full. If satisfied with the genuineness of Borrower's inability to pay the housing loan installments as per the schedule which resulted in the possession of Property/Security, BSG Finance may consider handing over the Property/Security after receiving the installments in arrears. However, this would be subject to BSG Finance being convinced of the arrangements made by the Borrower to ensure timely repayment of remaining installments in future. Borrower needs to follow the housing loan recovery policy.