



28 OCTOBER 2024

RECOVERY POLICY

1.Introduction:

The recovery policy of Thankam Finance Private Limited is built around dignity and respect to customers and the approach of the company in the matter of recovery is more focused on fair treatment, courtesy and persuasion. The company will not follow coercive methods for collection of dues. Thankam Finance Private Limited regard the guidelines outlined in the fair practices code in high esteem and value much to build customer confidence and long-term relationship. All the practices adopted by the company for follow up and recovery of dues and repossession of security will be in consonance with the law.

The recovery of the principal as well as interest due on the loan accounts is an important aspect requiring equal attention, as we give to loan disbursement and business improvement. Both disbursement and recovery are two wheels of the bicycle, to keep the institution going. In view of the above, the recovery performance is to be given constant monitoring and continuous follow up. We need to maintain the NPA position of the company at the bare minimum level by ensuring closure of the loan outstanding, immediately on completion of period.

2.Responsibility:

The recovery being an important aspect of the day to day working of the organisation, this responsibility should be entrusted to a senior official of the company. The monitoring on day to day basis has to be carried out by experienced personnel attached to the corporate office. At field level each branch should have a staff identified with the responsibility of the recovery, in addition to the Branch Manager who is vested with the overall responsibility. The field level functionaries like Area Manager and Regional Manager should monitor the overdue position of loan accounts on day to day basis and follow up with the branches and customers.

3.General Guidelines

We follow the below mentioned guidelines in the matter of recovery

- a) The customer would be contacted ordinarily at the place of his choice. In the absence of any specified place, at the place of his residence and if unavailable at his residence, at the place of business/occupation.
- b) Identity and authority of persons authorized to represent the company for recovery would be made known to the borrowers and the staff/any person authorized in this behalf will identify himself and display the authority letter issued by the company upon request.
- c) All written and verbal communication with its borrowers will be in simple business language.
- d) The company would respect privacy of its borrowers and requests to avoid calls at a particular time or at a particular place would be honoured as far as possible. Inappropriate occasions will be avoided for making calls/visits to collect dues.
- e) The company will document the efforts made for the recovery of dues and the copies of communication sent to customers, if any, will be kept on record.

4.Recovery of interest:

The company gives loan normally for a period of six months, twelve months or as per the discretion of Board of Directors. However, there is a stipulation in the terms of sanction that the interest is to be serviced by the borrower on monthly basis.

5.Recovery of principal:

The principal amount of loan should be recovered immediately on completion of loan period. The loan has to be released or the ornaments are to be repledged at the LTV prevailing on the date of repledge (in case of gold loan).

6.Reminders:

The branch should remind the customers over phone for remittance of the monthly interest. There will be a system generated report showing the accounts which are crossing one month from date of availing / date of last servicing of full interest. Further if the defaulted a registered / registered AD reminder is forwarded on particular time periods. Though the above schedule is for sending reminders in writing, the continuous follow up through telephone and in person has to be ensured.

7.Mark to Market:

The company also generate the list of accounts the outstanding of which has crossed an upper level in comparison with the market rate of the metal price. This will throw a light on the accounts which will have difficulty in realisation of the principal and interest in full, so that further steps are to be initiated for forced recovery.

8.Final notice:

The final notice intimating the intention of the company to realise the dues through auction of the ornaments pledged is forwarded once the account cross the period without any repayment. It shall be the policy of the company not to resort to auction of the pledged ornaments as far as possible. The notice stipulates a final date (with a gap of not less than 15 days) before which the borrower has to release the loan.

9.Waiver:

On selective basis the company can consider granting waiver of interest to customers who approach for release of loan, with a request for waiver of a portion of the interest accrued due to financial difficulties or other valid reasons. In such cases if allowing the waiver of a limited portion of the interest can ensure the release of the loan it can be considered on case to case basis. Such powers for waiver of interest are to be delegated to higher officials of the company by fixing limits.

10.One-time settlement:

Where market price is on downward trend and if it is felt that by allowing an offer to customers for one-time settlement by stipulating a per gram rate in comparison with the market rate can result in higher amount of recovery, this can be considered. In such cases the company can realise the principal and major part of the interest accrued gaining more than what would be realised by recovery through auction.

11.Auction:

Company will initiate steps to auction the securities if and only if the above-mentioned effort fails. The accounts which are left over are subjected to auction procedure. The ornaments pledged in such accounts will be taken up for auction after following the various requirements for conduct of the auction as per the lending policy (in case of gold loan).

Auction is aimed at recovery of dues and not to deprive the borrower of the property. Auction process will involve repossession of security, valuation of security and realization of security as per the approved auction policy of the company. All these would be carried out in a fair and transparent manner. The company will not initiate any legal or other recovery measures including auction without giving due notice in writing.

12.Recovery of the deficit on auction:

Even after auction and adjustment of the proceeds to the loan accounts the company will have the right to recover the balance due if any from the borrower. Excess amount if any, obtained on sale of property will be returned to the borrower after meeting all the related expenses.