

Loan Risk & Monitoring Policy

1. Objective

This policy establishes the framework for identifying, monitoring, and managing risks associated with delayed loan repayments. It provides guidance on how different types of loans should be treated when repayment delays occur.

2. Home Loans / Mortgage Loans

- Missing 1 installment: Gentle reminder.
- Missing 2 consecutive installments: Early warning, reminder + discussion with borrower.
- Missing 3 installments: Account moves into risk category, escalation to Credit Risk Monitoring Team.
- Missing 4+ installments: High risk, escalate to Recovery/Legal Team for legal notice and recovery action.

3. Personal Loans

- Missing 1 installment: Gentle reminder.
- Missing 2 installments: Reminder + follow-up call.
- Missing 3 installments: Considered risky, escalate to Credit Bureau reporting and Credit Risk Monitoring Team.
- Missing 4+ installments: Serious delinquency, initiate legal notice and recovery process.

4. Business Loans

- Delay of <1 month: Gentle reminder, discussion with finance team.
- Delay of 2 consecutive installments: Early warning, monitoring.
- Delay of 3 installments: Loan at risk, suspend disbursements and escalate to Credit Risk Monitoring Team.
- Delay of 4+ installments: Serious risk, escalate to Recovery/Legal Team, legal notice issued.

5. Vehicle Loans

- Missing 1 installment: Gentle reminder.
- Missing 2 installments: Reminder + borrower counseling.
- Missing 3 installments: Loan considered risky, escalate to Credit Risk Monitoring Team.
- Missing 4+ installments: Prolonged delinquency, initiate repossession proceedings and legal notice.

6. Education Loans

- Missing 1 installment: Gentle reminder + counseling.
- Missing 2 installments: Monitoring + reminder.

- Missing 3 installments: Loan flagged at risk, escalate to Credit Risk Monitoring Team.
- Missing 4+ installments: High risk, escalate to Recovery/Legal Team and report as per regulatory guidelines.

7. Escalation and Monitoring

- Occasional delays: Managed by Customer Service & Relationship Team.
- Repeated delays (2–3 installments): Handled by Credit Risk & Monitoring Team.
- Serious delays (4+ installments): Transferred to Recovery & Legal Team for legal action and recovery measures.