



**Recovery and Repossession of Secured Assets Policy and Code of Conduct
for Collection Agents/ Direct Sales Agents (DSA)/ Direct Marketing Agents (DMA)**

I. Introduction and applicability:

- a. Any recovery/ collection process will be initiated when customers of Vivriti Capital Limited (hereinafter referred to as “VCL”/ “Company”) have overdue payment to be made with respect to credit facilities availed by them from VCL. Further, security furnished by such borrowers may be enforced and the asset be enforced/repossessed in the event of an event of default arising under the relevant facility documents, and the borrower failing to pay the overdue amounts to VCL.
- b. This Recovery and Repossession of Secured Assets Policy and Code of Conduct for Collection Agents/ Direct Sales Agents (DSA)/ Direct Marketing Agents (DMA)/ Digital Lending Apps (DLA)/ Lending Service Providers (“LSP”) (collectively known as “Agents”) (hereinafter referred to as the “Code”) applies to all employees of VCL and / or other affiliates and employees, agents and representatives of persons or entities that may be engaged by VCL to source/ acquire the customer, provide underwriting support, pricing support, servicing, monitoring, collection/ recovery of customer debts/ loans and enforce/repossess security on behalf of VCL.
- c. All the practices adopted by VCL and its Agents for follow up and recovery of dues and enforcement/ repossession of security/ secured assets will be in consonance with the applicable law(s)/ regulation(s)/ direction(s)/ notification(s)/ circular(s), as may be issued/ amended by the regulatory authorities from time to time.

II. Outsourcing Policy of VCL:

The engagement of Agents shall be undertaken only in accordance with the conditions specified under the Board approved Outsourcing Policy maintained by VCL and relevant extant guidelines/ directions and the engagement letter/mandate agreements to be executed amongst VCL and the Agents. The terms of engagement of the Agents shall be documented in a letter/ agreement.

III. General Guidelines:

All employees or any person authorized, including Agents (hereinafter referred to as “Representative”) to represent VCL for enforcement/repossession of security/ secured assets will follow the guidelines set out below:

- 1) The debt collection process of VCL is based on the principle of dignity and respect to customers (including customers who are late in paying or in default).
- 2) VCL believes in following fair practices regarding collection of dues and enforcement/repossession of security/ secured assets thereby fostering customer confidence and long-term relationship and thereby ensures that there is no coercive practice followed while collecting the dues.
- 3) The repayment schedule for any loan sanctioned by VCL is prepared considering



- repayment capacity and cash flow pattern of the borrower.
- 4) The Code aims at recovery of dues in the event of default and is not aimed at whimsical deprivation of the property of the borrower. The Code recognizes fairness and transparency in enforcement/repossession, valuation and realization of security/ secured assets.
 - 5) Any enforcement/repossession of security/ secured assets shall be undertaken only after attempting to discuss with the borrower the ways and means to overcome the financial hurdles/default in payment.
 - 6) As per the requirements outlined in paragraph 69 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, VCL shall publish on its website information regarding borrowers whose secured assets have been taken into possession under the SARFAESI Act, 2002.
 - 7) VCL's recovery procedure shall be based on good manners, impartial treatment and mutual respect.
 - 8) VCL's Representative shall treat customers with respect and dignity.
 - 9) VCL will endeavor to protect the privacy of the borrowers. VCL may contact any person other than the borrower, within the regulatory provisions, only to locate the borrower.
 - 10) The Representative of VCL while interacting with customers for collection of dues and/or for enforcement/repossession of security/ secured assets will identify himself / herself and display the Identity card/authority letter issued by VCL upon request.
 - 11) Representative of VCL will not harass, threaten or abuse borrowers physically or verbally or use offensive mannerisms or language at any given time.
 - 12) VCL's Representative shall follow only ethical practices and will not resort to undue coercive tactics in the process of recovering outstanding dues or for enforcement/repossession of security/ secured assets.
 - 13) VCL's Representative will document the efforts made for the recovery of dues, as far as possible and the copies of communication sent to customers, if any, will be kept on record.
 - 14) VCL's Representative will attempt to resolve disputes or differences regarding outstanding dues in a mutually acceptable and in an orderly manner.
 - 15)
 - 16) Agents can disclose details pertaining to the credit facilities only to the relevant borrower, co-borrower or the co-guarantor. Any disclosure/ sharing of such details pursuant to any regulatory requirements shall not be restricted.
 - 17) VCL's Representative shall not make false, deceptive, or misleading claims for the purpose of collecting repayments. This includes misrepresenting his/ her identity or falsifying facts, make false and misleading representations about debt status or consequences of non-repayment or claiming any monetary or non-monetary awards or incentivizing the customer in any manner to make payments.
 - 18) VCL and its Representative shall initiate any legal or recovery measures including enforcement/repossession of the security/ secured assets only after giving due notice to the borrower in writing. VCL shall follow all such procedures as required under law for recovery or enforcement/repossession of the security/ secured assets.
 - 19) Customer's questions should be answered in full by VCL's Representatives. They



- should be provided with information requested, given assistance and issues raised by them shall be resolved. Accounts with unresolved issues are to be escalated to Grievances Redressal Officer of VCL through its website
- 20) Customer or third-party requests for supervisor names or requests to speak with supervisor should always be honored by VCL's Representative.
 - 21) Customers may use VCL's grievance redressal mechanism/ escalation matrix in case of any concerns or grievances pertaining to collection of dues and recovery.
 - 22) All Representatives and Agents must follow the "Fair Practices Code" applicable to VCL (in addition to this Code).
 - 23) An indicative list of do's and don'ts (as provided in the Annexure hereto) shall be followed by Representatives/ Agents of VCL
 - 24) VCL's Representatives shall not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their recovery efforts, including acts intended to humiliate publicly or intrude upon the privacy of the borrowers' family members, referees and friends.
 - 25) VCL's Representatives shall refrain from sending inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, persistently calling the borrower and/ or calling the borrower before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans.

IV. Communications with Borrowers:

- 1) All communications to the borrower shall be in writing, by telephone or through personal visits. The borrower will be contacted on the phone numbers or at the address (residence/ work place/ mobile) provided by him/her in the application form filled in at the time of availing the loan or as modified subsequently by intimation to VCL for communication. If the borrower is not responding/ not reachable over telephone or not paying even after intimation to pay, VCL's Representatives may make personal visits to the borrower's residence/place of work during reasonable hours of the day.
- 2) VCL and its Representatives to ensure that all written and verbal communication with its borrowers are in simple business language which the borrower can easily understand and that its Representatives adopt civil manners for interaction with borrowers.
- 3) VCL's Representatives will contact the borrowers between 08:00 a.m. and 7.00 p.m. for recovery of overdue loans.
- 4) Tele callers contacting the borrower on behalf of VCL will ensure simple business language, decorum and respect while making follow-up calls.
- 5) Borrower's requests to avoid calls at a particular time or at a particular place shall be honored as far as possible.
- 6) Inappropriate occasions such as bereavement in the family or such other calamitous occasions shall be avoided for making calls/visits to collect dues by Representatives.
- 7) If the customer is not present and only minors/elderly / infirm are present at the time of the visit, the Representatives/ Agents of VCL should end the visit with a request for the customer to call back. They should not enter the house in customer's absence. They should not wait for the customer in the place of visit unless specifically asked to do so by the customer or a family member/



housekeeper.

- 8) All communication/letters to the customer shall be in a format approved/acceptable by VCL.

V. Engagement of Agents

VCL shall utilize the services of Agents for collection of dues and enforcement/repossession of security/ secured assets. Agents shall be appointed as per regulatory guidelines issued in this regard. In this respect:

1. VCL engages service of any Agent for any recovery of dues or enforcement/ repossession/ of security/ secured assets, the details of the Lending Service Provider (“LSP”) engaged as recovery agent shall be disclosed to the borrower at the time of sanctioning of the loan and also at the time of passing on the recovery responsibilities to any other LSP.
2. The Agents engaged by VCL shall be required to follow an indicative list of do’s and don’ts (as provided in the Annexure hereto) and this Code while interacting with customers of VCL .

V. Data Privacy:

1. VCL and Agents shall ensure the data privacy and maintain the security of the details/ information obtained from the borrower.
2. Agents shall not store personal information of borrowers except some basic minimal data (viz., name, address, contact details of the customer, etc.) that may be required to carry out their operations with respect to servicing of the loan and ensuring recovery/ collection, etc.
3. VCL and Agents shall ensure to provide borrower with an option to give or deny consent for use of specific data, restrict disclosure to third parties, data retention, revoke consent already granted to collect personal data and if required, make the app/ website/ portal to delete/ forget the data.
4. Explicit consent of the borrower shall be taken before sharing personal information with any third party, except for cases where such sharing is required as per statutory or regulatory requirement.
5. VCL shall ensure that no biometric data is stored/ collected in the systems associated with the Agents.

VI. Giving Notice to Borrowers:

Written communications, telephonic reminders or visits by VCL’s Representatives to the borrowers’ place or residence may be used as follow up measures for recovery. VCL may initiate legal or other recovery measures including enforcement/repossession of security/ secured assets only after giving due notice in writing. VCL will adhere to extant guidelines/ directions under applicable law for recovery and/or for enforcement/repossession of security/ secured assets.

VII. Enforcement/Repossession of Security/ Secured Asset:



Enforcement/ repossession of security/ secured asset is aimed at recovery of dues and not to deprive the borrowers of their property. The recovery process through repossession/enforcement of secured asset/ security:

1. Will be done through appropriate means
2. Will be carried out in a fair and transparent manner
3. Due process of law will be followed during repossession/enforcement of the secured asset/ security.

VIII. Opportunity for the borrower for redemption of security:

VCL will resort to repossession of security only for the purpose of realization of its dues and not with intention of depriving the borrower of the property. Accordingly, VCL will be willing to consider handing over possession of secured asset to the borrower any time after repossession and before concluding sale transaction of the property, provided the entire outstanding dues are paid by the borrower to VCL.



Annexure

Recovery and Repossession/ Agents: Dos and Don'ts

DO'S	DON'TS
☑ Do dress in formal clothes and carry the Company identity card/ authority letter during work hours.	☑ Do not get personal, tough, aggressive or abusive.
☑ Be punctual and available at meetings organized by VCL.	☑ Do not use coercion of any sort to make recover of payments.
☑ Visit and analyze the customer situation.	☑ Do not humiliate borrowers in public places by discussing their loan over dues with third parties/neighbors.
☑ Do talk in a pleasant, polite and non-aggressive manner always. Answers should be factual and to the point.	☑ Do not go for collections in a group of more than three staff members at a time.
☑ Collection interactions should be based on fair conduct and persuasion.	☑ Do not visit the customers on weekly or public holidays.
☑ Present all the information required by the customer in an appropriate manner.	☑ Do not pressurize the family members of the customer.
☑ Do answer borrower's query to the satisfaction of the borrower.	☑ Do not humiliate the customer, lose temper, get angry or irritated irrespective of the situation.
☑ Keep records of written communication/ interactions with the customer.	☑ Tone should not be harsh or loud.
☑ Do provide a valid receipt for each loan instalment payment received (partial or full) and record the payment in the borrower's loan passbook/loan card immediately after the transaction and educate customers to keep all the receipts for all future references.	☑ Do not give false promises to customers like promising higher loans in case of part payments or such other incentives.
☑ Visit the customer on dates on which he/she has promised to make payments.	☑ Do not seize customer assets or any personal documents e.g. Voter ID, ration card etc.
☑ Maintain a reasonable distance from the Customer.	☑ Do not share customer's information with other customers.
☑ Contact customer at appropriate hrs. Timings: Earliest--- 8.00 AM & 7.00 PM	☑ Do not call borrowers at inappropriate times such as bereavements, illness, social occasions such as marriages, births etc.
☑ Do keep borrower information confidential and use it only for permissible purposes defined by VCL.	☑ Do not visit or call borrowers between 7 pm to 8 am.



? Should adopt ethical practices in its conduct with borrowers	? Do not discriminate based on caste, gender and/ or religion.
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