

## CODE OF CONDUCT

### REFERRAL AGENTS(VFRA) /COLLECTION/RECOVERY

January 2024

Version: 1.0

	Name	Designation
Author of the Policy	Kanchana Srikanth	Chief Compliance Officer
Approver of the Policy	Board	
Details of the Approval of Board	30.01.2024	
Applicability	Referral Agents/Recovery Staff/All Offices and Branches	
Policy Amendments	Board	
Reference	1) RBI DNBR.PD. CC. No. 090/ 03.10.001/ 2017-18 dated Nov. 09, 2017 2) MD on Scale Based Regulation	

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## **Introduction**

The Reserve Bank of India (RBI) has issued Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs under reference DNBR.PD. CC. No. 090/03.10.001/2017-18 dated Nov, 09, 2017 vide which NBFCs are required to put in place a Board Approved Code of Conduct for Direct Sales Agents (VFRA/Connector)/ Direct Marketing Agents (DMA)/Recovery Agents (RAs). This Code of Conduct is based on Indian Bank Association's Model Code of Conduct for VFRA/Connectors for Banks which we term as Veritas Referral Agents/Connector and guidelines issued on Digital Lending by RBI vide its RBI/2022-23/111 DOR.CRE.REC.66/21.07.001/2022-23 and the Code of Conduct for Collection-Recovery Agent is based on RBI guidelines on Fair Practice Code for NBFCs.

## **General Applicability:**

The following guidelines should be adhered to by all the individuals / persons / associates / agents / entities (hereinafter referred to as "Representatives") authorized to represent Veritas for collection of dues from the customers or in the capacity as a Connector or a referral agent or a marketing agent.

### **1. Code of Conduct for VFRA /Connector/DMA**

#### **Applicability**

The Code is deemed to be adopted and included in the Agreement between Veritas and the VFRA /Connector. This code will apply to all persons involved in marketing and distribution of any loan or other financial product of Veritas. The Direct Selling Agent (VFRA/Connector and its Tele-Marketing Executives (TMEs) & field sales personnel, namely, Business Development Executives (BDEs) must agree to abide by this code prior to undertaking any direct marketing operation on behalf of Veritas. Any VFRA/Connector found to be violating this code may be blacklisted in the records of Veritas. Failure to comply with this requirement may result in permanent termination of business of the VFRA/Connector with Veritas. A declaration is to be obtained from the VFRA/Connector before assigning them their duties which are duly covered in the agreement entered into between VFRA/Connector and Veritas.

#### **a. Tele-calling a Prospect (a prospective customer)**

A prospect is to be contacted for sourcing only under the following circumstances:

- When a prospect has expressed a desire to acquire a product through Veritas's internet site/call centre/Branch or has been referred to by another prospect/customer or is an existing customer of Veritas who has given consent for accepting calls.
- When the prospect's name/telephone no/ address is available & has been taken from one of the lists/directories/databases approved by the VFRA/Connector Manager/Team leader, after taking his/ her consent.
- The VFRA/Connector should not call a person whose name/number is flagged in any "do not disturb" list made available to him/her.

**b. When to contact a prospect on telephone**

Telephonic contact must normally be limited to between 08:00 Hrs and 19:00 Hrs. However, it may be ensured that a prospect is contacted only when the call is not expected to cause inconvenience to him/her. Calls earlier or later than the prescribed time period may be placed only under the following condition:

- When the prospect has expressly authorized VFRA/Connector to do so either in writing or orally

**c. Can the prospect's interest be discussed with anybody else?**

VFRA/Connector should respect a prospect's privacy. The prospect's interest may normally be discussed only with the prospect and any other individual/family member such as prospect's accountant / secretary / spouse, authorized by the prospect.

- **Leaving messages and contacting persons other than the prospect.**

Calls must first be placed to the prospect. In the event the prospect is not available, a message may be left for him/her. The aim of the message should be to get the prospect to return the call or to check for a convenient time to call again.

**d. No misleading statements/ misrepresentations permitted**

VFRA/Connector s and/or its employees / representatives should not:

- Mislead the prospect on any service / product offered;
- Mislead the prospect about their business or organization's name, or falsely represent themselves.
- Make any false / unauthorized commitment on behalf of Veritas.

### **e. Telemarketing Etiquettes**

#### Pre call:

- No calls prior to 08:00 Hrs or post 19:00 Hrs unless specifically requested.
- No serial dialing

#### During Call:

- Caller to identify himself/herself, the company and the principal for whom he/she is performing the VFRA/Connector activity.
- Request permission to proceed
- If denied permission, apologize and politely disconnect.
- State reason for the call
- Never interrupt or argue
- To the extent possible, talk in the language which is most comfortable to the prospect
- Keep the conversation limited to business matters
- Check for understanding of "Most Important Terms and Conditions" by the customer, if the prospect plans to buy the product
- Reconfirm next call or next visit details
- Provide telephone no, supervisor's name or contact details of the Veritas, if asked by the prospect.
- Thank the customer for his/her time

#### Post Call:

- Customers who have expressed their lack of interest for the offering should not be called for the next 3 months with the same offer.
- Provide feedback to Veritas on customers who have expressed their desire to be flagged "Do Not Disturb"
- Never call or entertain calls from customers regarding products already sold. Advise them to contact the Customer Service Desk/Staff of Veritas.

#### **f. Gifts or bribes**

VFRA/Connector / Employees /representatives of VFRA/Connector must not accept gifts from prospects or bribes of any kind. Any VFRA/Connector /employee/representative of the VFRA/Connectors/DMA's, who is offered a bribe or payment of any kind by a customer, must report the offer to his/her management and in turn to Veritas.

#### **g. Precautions to be taken on visits**

VFRA/Connectors/its employees will:

- Respect personal space - maintain adequate distance from the prospect.
- Not to enter the prospect's residence/office against his/her wishes;
- Not to visit in large numbers - i.e. not more than one VFRA/Connector and his associate, if required
- Respect the prospect's privacy.
- If the prospect is not present and only family members/office persons are present at the time of the visit, he/she should end the visit with a request for the prospect to call back.
- Provide his/her telephone number, supervisor's name or the concerned Veritas's contact details, if asked for by the prospective customer.
- Limit discussions with the prospect to the business - Maintain a professional distance.

#### **h. Other important aspects - Appearance & Dress Code**

Employees/representatives of VFRA/Connectors must be appropriately dressed –

For men this means

- Well ironed trousers;
- Well ironed shirt, shirt sleeves preferably buttoned down.

For women this means

- Well ironed formal attire (Saree, Suit etc.);
- Well groomed appearance.

#### **i. Handling of letters & other communication**

Any communication sent to the prospect should be only in the mode and format approved by Veritas.

## 2. Code of Conduct for Collection/ Recovery

### ***Veritas will not outsource the activity of collection/recovery.***

In adherence to Fair Practices of Code of Veritas, all Customers (including Customers who are late in making their payments or have defaulted in their payment schedule) must be treated with respect, dignity, courtesy, and fairness in debt collection efforts. We believe that this is not only the right thing to do, but also the most effective.

Apart from the adherence of guidelines as instructed

- Customer requests to avoid calls at a particular time or at a particular place should be honoured as far as possible.
- The customer should be provided with the information regarding his dues.
- Reasonable notice would be given before repossession of security and its realization.
- All assistance should be given to resolve disputes or differences in a mutually acceptable and in a normal manner.
- During visits to the customers' place for collection of dues, decency and decorum should be maintained.
- Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls/visits to collect dues.
- Strictly avoid any appearance which may suggest any criminal intimidation or threat or violence.
- Provide his/her telephone number, supervisor's name or contact details, if asked for by the customer.
- A collection agent or its employee/s while collecting the amount due should not:
  - i. Resort to any false, deceptive or misleading representation,
  - ii. Represents or imply that he or she is connected with or affiliated with any of the governmental or judicial authority,
  - iii. Falsely represent the character, amount, or legal status of the debt.
  - iv. Abstain from using any identification which can lead to wrong representation.

In case of nonadherence to above terms, agency will be solely responsible for consequences, if any, arising therefrom

### 3. Do's and Don'ts on Collections/Collection Moral

A "Representative" as defined in General Applicability as above will follow this collection moral of veritas and any deviation on this is viewed strictly resulting in disciplinary action.

<b>Factors</b>	<b>Do's</b>	<b>Don'ts</b>
Face of the Organization - Your Appearance and Dress Code	You should be Groomed well, ensure clean and tidy formal dresses only	Avoid Chappals or Sandals
Voice of the Organization - Your speech/language	<ol style="list-style-type: none"> <li>1) Always greet the customer and introduce yourself with an identity card if you are meeting a customer for the first time.</li> <li>2) Address the customer formally.</li> <li>3) Tone should be sincere and polite.</li> <li>4) Decency and decorum to be maintained.</li> <li>5) Use only language known to the customer</li> </ol>	<ol style="list-style-type: none"> <li>1) Do not get tough or aggressive or abusive.</li> <li>2) Do not lose cool, get angry or irritated irrespective of reason.</li> <li>3) Do not raise your voice or pitch.</li> <li>4) Should not get personal.</li> <li>5) Do not use abusive language or language not known to customer</li> </ol>
Carry with you	<ol style="list-style-type: none"> <li>1) Identity Card</li> <li>2) Notepad for writing the information gathered.</li> </ol>	
Morals and ethics when you deal with the customer	<ol style="list-style-type: none"> <li>1) Be fair and ethical in your dealings with customers.</li> <li>2) Persuade the customer for collections and show courtesy and treat them fairly.</li> </ol>	<ol style="list-style-type: none"> <li>1. Do not indulge in personal dealings, chitchats with customers.</li> <li>2. Do not enter the house without permission.</li> <li>3. Do not speak to the women customers when they are alone</li> </ol>
Information and Confidentiality	<ol style="list-style-type: none"> <li>1) Present only the customer information required in an orderly fashion.</li> <li>2) Carry a copy of MITC and keep the customer informed of all charges including interest rate.</li> <li>3) Keep records of interactions with the customer.</li> </ol>	<ol style="list-style-type: none"> <li>1) Unauthorized information written or verbal cannot be divulged to any customer / any other person.</li> <li>2) No information about one customer to be shared with other customers.</li> </ol>
Process Product Discipline	<ol style="list-style-type: none"> <li>1) Perform your role within the framework of the instructions issued to you in terms of process manuals and specifics of collection procedure based on the</li> </ol>	Do not promise the customer which is not specified in the product note or MITC.



	<p>product.</p> <p>2) Explain the MITC along with <b>interest rate</b>, charges and fees.</p>	
Maximize Effectiveness	Collection managers will strive to maximize the effectiveness of the visits by pre-visit preparation and result orientation in order to improve results.	No customer information to be revealed to any external organization unless previously informed by the customer in the disclosure agreement and is being authorized by the customer.
Privacy Promise	Understand customer's data is a confidential information and privacy of the same to be kept.	Do not use or share internally or externally personally identifiable information without customer consent.
Timing	<p>Customer Visit timings</p> <p>Not before : 08.00 AM Not after : 07.00 PM</p>	Do not visit the customer after or before the timing stipulated unless you are requested by the customer to do so.
Customer Declines to pay	<p>If the customer declines to pay explain him/her with</p> <ol style="list-style-type: none"> <li>1) Impact on credit history, CIBIL etc.,</li> <li>2) Possible inclusion in negative list</li> <li>3) Possible legal action and its impact.</li> <li>4) Cost of defending legal action if such action is contemplated.</li> </ol>	<ol style="list-style-type: none"> <li>1) Do not threaten to take extra judicial action (e.g., physical threat or any unlawful action)</li> <li>2) Do not expropriate, seize or confiscate and/or dispose of customer assets when no such right exists;</li> <li>3) Do not accept even if the customer willingly provides any movable assets for his dues.</li> </ol>
Visit to Customer place	<p>Normal timings</p> <p>Not Before : 08.00 AM Not After : 07.00 PM</p>	<p>Not to visit customer's residence if the customer; -</p> <ol style="list-style-type: none"> <li>1) Expressly forbids in writing such visits.</li> <li>2) Has suffered a bereavement, or a customer's family member is gravely ill.</li> <li>3) Social engagement is in progress.</li> <li>4) If legal action is initiated except for the phone calls.</li> </ol>
Precautions	1) Respect personal space - maintain adequate distance.	1) Do not talk to a customer when he/she

	<p>2) Respect the customer's privacy – do not embarrass the customer in the presence of his/her neighbors;</p>	<p>is under the influence of alcohol.</p> <p>2) Not to restrict the customer's movement or restrain him/her from entering or leaving the house/room.</p> <p>3) If the customer is not present and only minors/elderly / infirm or only ladies are present at the time of the visit, end the visit with a request that the customer to call back.</p> <p>4) He /She should not enter the house unless invited.</p> <p>5) He/she should not wait for the customer in the customer's residence unless specifically asked to do so by the customer or family.</p>
<p>Gifts or bribes</p>	<p>If a customer offers the collection manager a bribe or inducement of any kind, must report the offer to his/her BM/management immediately.</p>	<p>Do not accept any form of inducement/gifts of any kind from any of the customers.</p>
<p>Number of calls</p>	<p>1) The purpose of a collection call is to bring to the customer's notice the obligation to pay and to seek a commitment to pay on a specified date. Once a promise is elicited, a call may be made to serve as a reminder and for confirmation of payment.</p> <p>2) In the event a commitment is not forthcoming or has been broken, calls may be made at reasonable frequency.</p> <p>3) Calls are also normally limited to 8 am to 7 pm</p>	<p>Excessive number of calls or calls closely bunched together in the same day may be construed to be harassment.</p>
<p>Type of visit</p>	<p>Collection Managers should individually visit customers by himself/herself only. However, he/she can be accompanied by the</p>	<p>Visits should not be done in group.</p>

	BM/SM for any assistance in handling the customer account.	
Non-Cooperative customer	<ol style="list-style-type: none"> <li>1) Be firm and polite in explaining the consequences.</li> <li>2) If the customer tries to assault physically, leave the place immediately.</li> <li>3) Under the guidance of BM / Legal team approach the necessary police station for reporting any untoward incident</li> </ol>	Do not continue the call if the customer abuses the Collection manager continuously, inform the customer and the call may be disconnected.
Receipts	<ol style="list-style-type: none"> <li>1) Issue mobile receipts to the customer immediately on his payment.</li> </ol>	<ol style="list-style-type: none"> <li>1) Do not issue receipts for promise to pay in future.</li> <li>2) Do not use your money to honour the promise of the customer, which necessitates disciplinary action.</li> </ol>
Cash	Hand over the cash in branch office by EOD of the collections if cash is collected after banking hours.	Do not carry cash to your residence.
Notices/letters/complaints	Always handover any letter /notice / complaints received by you to the respective legal team with a copy to HO-Legal for replying suitably on such cases.	<ol style="list-style-type: none"> <li>1) Do not keep any written request at your end without informing HO – Legal</li> <li>2) Do not visit such a customer until you get confirmation from your legal team.</li> </ol>
Police Complaints/Lok Adalat complaints	Always inform any nature of police complaints to your respective legal team in your area as well the State legal heads/HO – Legal for their Advice and action.	<ol style="list-style-type: none"> <li>1) Do not handle the complaint on your own without informing/advice of Legal team and HO Legal.</li> <li>2) Do not visit such a customer until you get confirmation from your legal team.</li> </ol>
Personal Safety	<ol style="list-style-type: none"> <li>1) Always wear Helmet.</li> <li>2) Inform the concerned branch officials if you are amidst any issues.</li> <li>3) Always carry driving license</li> <li>4) Always keep your vehicles</li> </ol>	<ol style="list-style-type: none"> <li>1) Do not drink and smoke during office hours.</li> <li>2) Do not take the customer in your vehicle for any purpose.</li> </ol>

	insurance updated and handy.	
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#### **4. Review & Amendments:**

This Code shall be periodically reviewed by the Board on an annual basis or at any time as the need arises and any amendment or modifications to this Code shall be subject to review and approval by the Board of Directors of the Company. In case any amendments, clarifications, circulars and guidelines are issued by the Reserve Bank of India, then the Code shall stand amended accordingly effective from the date as laid down under such amendments, clarifications, circulars and guidelines.