

**CODE OF CONDUCT FOR COLLECTION AGENTS**

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## 1. INTRODUCTION

The Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time (RBI Master Directions) requires NBFCs to put in place a Board approved Code of Conduct for Collection/ Recovery Agents (RAs). Accordingly, Tenmark Capital Private Limited has put in place this document.

## 2. FAIR PRACTICE CODE FOR COLLECTION AGENTS

In line with the Fair Practice Code of the Company, this policy aims to provide all the stakeholders, especially customers and external representatives an effective overview of the practices followed by the Company in respect of the financial facilities and services offered by the Company to its customers. This Fair Practice Code has been revised taking into account the Directions issued by RBI that include guidelines on 'Fair Practice Code for NBFCs.

### I. Objectives

The objective of the code is:

- To promote good practices and ensure good practices in dealing with customers.
- To promote a fair relationship between the customer and the company.
- To ensure compliance with legal norms in matters relating to recovery of advances.
- To strengthen mechanisms for redressal of customer grievances.

### II. General Fair Practices

Fair Practices Code is uploaded on the Company's website at [www.tenmarkcapital.com](http://www.tenmarkcapital.com)

### III. Fair Practices for Business Operations

It is important to make the customer feel comfortable by communicating in a language that he/ she best understands. The Collection agent shall adhere with this policy, Fair Practice Code in line with the RBI Guidelines while dealing with the customer.

## 3. IDENTIFICATION:

All interactions with the borrower/ customer shall necessarily commence with a clear and cogent identification for the purpose of the call. Collection Agency/ Company executives shall fully identify themselves and represent themselves in the capacity in which they have been engaged by the Company to collect dues. During face-to-face interactions, the Collection Agency personnel/ Company executives shall always carry an identity card issued by the Company. This same will be displayed while interacting with the Company's borrower/ customers. The Company may, in addition to display of identity cards, require the Collection Agency personnel / Company executives to digitally validate their identity.

**4. DRESS CODE:**

The “Service Provider” (Collection Agency) personnel shall be formally dressed in a presentable manner while interacting with the Company’s borrower/ customers.

**5. HIRING AND TRAINING OF COLLECTION AGENCY AND AGENTS:**

Collection agency should ensure that:

- Recovery Agents/ Collection Agents with prior work experience in a field job like debt collections, sales etc..
- Agent should have good knowledge of the local geography & is able to travel interiors of the remote villages.
- Agent is hard working & has good negotiation and communication skills.
- Agents to be trained particularly on aspects such as soliciting customers, hours of calling, maintenance and privacy of customer information and conveying correct terms and conditions of the respective product.
- Agent is high on integrity & does not have criminal or adverse complaints findings in background checks.
- Agent is conversant with English or Hindi and any local spoken language/ dialect.
- Mandatory training is provided to the new joiners of the Company and regular refresher to the existing employees of the collection agency.
- Code of conduct adherence trainings are given by agency supervisor & collection managers on a regular interval to Recovery Agent of outsourced Recovery Agencies.
- Agents undergo on job training & refresher training on the Code of Conduct on regular basis.
- Adequate number of Recovery Agents are in place to handle the collectable cases.

**6. CUSTOMER INTERACTION GUIDELINES:**

Our Company’s collections policy is built on courtesy, fair treatment, and persuasion. The Service Provider personnel’s speech, gestures, general disposition, approach, and demeanor shall be polite and presentable while interacting with the Company’s customers. Under no circumstances will the Company condone customer interaction that is offensive, threatening, or abusive. Any Service Provider personnel found guilty of such transgressions would be reprimanded with penalties extending to

summary dismissal. The Company would be responsible for the actions of Service Providers and the confidentiality of information pertaining to the customers that is available with the Service Provider.

1. The Service Provider personnel shall make telephone calls or personal visits to the Company's Borrower/ customers' residences or offices, or such other places mutually agreed upon, taking into account the customers' availability and convenience of both the time and the place.
2. Borrower/ customer privacy would be respected and requests to avoid calls at a specific time or place would be honoured as far as reasonably possible.
3. In the event the borrower/ customer speaks or behaves with the Service Provider personnel in a manner that may be or seem to be offensive, threatening, or abusive, the Service Provider personnel shall immediately cease such interaction and move out of the vicinity of such borrower/ customer. There will be no attempt at retaliation whether by way or retort or warning whatsoever. The Service Provider personnel shall immediately inform the Company of the same.
4. In the event the Company's borrower/ customers either by themselves or with the help of some external agencies attempt to physically attack or manhandle the Service Provider personnel, the Service Provider personnel shall immediately move out of the vicinity of such borrower/ customer/ place and register a complaint to the nearest Police Station. The Collection Agency shall keep the Company informed of the same.
5. In the event the Company's borrower/ customer is unavailable on phone or at the place of visit, the Collection Agency personnel shall leave a polite message regarding the call/ visit and shall request the cardholder to be in touch with the Company. They shall not disclose or share information regarding the borrower/ customer's account or his conduct with any third party.
6. The Service Provider personnel shall not under any circumstances be directly or indirectly involved in dispossessing the Company's borrower/ customers of their (immovable or movable) property. They shall also not be party to pawn, pledge, mortgage, sale, transfer or disposal of any property (immovable or moveable) of the Company's borrower/ customer.
7. In the event the Service Provider personnel comes to possess unknowingly or otherwise, cash in excess of the amount that the borrower/ customer is due or cash in excess of the

amount quoted in the receipt issued to the Borrower/ customer for such payment he/ she shall forthwith return such excess cash to the borrower/ customer and keep the Company informed of the same.

8. The Service Provider personnel shall not make any promise or give any assurance either verbal or written with respect to waivers, concessions, settlements on fees, interest or any other dues owed to the Company to borrower/ customers, without prior written consent of the Company. All such letters, telegrams and other communication must be in the format approved by the Company.
9. The Service Provider and their agents shall not resort to intimidation or harassment of any kind either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude the privacy of Borrower/ customer's family members, referees and friends, making threatening and anonymous calls persistently or making false or misleading representations or send inappropriate messages either on mobile or through social media.

## **7. GENERAL GUIDELINES ON REPOSSESSION OF ASSETS:**

In case of repossessing the asset from the borrower/ customers for non-payment of their dues to the Company on written instructions from the Company, any such vehicle/ product repossessed from the Borrower/ customers should be deposited on the same day or within one working day of repossessing the same. All members of staff or any person authorized to represent the Company in security repossession will follow the guidelines set out below:

- a) The debt collection policy of the Company is based on the principle of dignity and respect to customers (including customers who are late in paying or in default).
- b) The Company believes in following fair practices regarding collection of dues and repossession of security thereby fostering customer confidence and long-term relationship and thereby ensures that there is no coercive practice followed while collecting the dues.
- c) 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 policy recognizes fairness and transparency in repossession, valuation and realization of security.
- d) Any security repossession should be undertaken only after attempting to discuss with the Borrower the ways and means to overcome the financial hurdles/default in payment have failed.

- e) The Collection Agency shall follow recovery procedure based on good manners, impartial treatment, and persuasion.
- f) The Collection Agency 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.
- g) Collection Agency shall not make false, deceptive, or misleading claims for the purpose of collecting repayments. This includes misrepresenting his/ her identity or falsifying facts 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.
- h) The Collection Agency shall initiate any legal or recovery measures including repossession of the security only after receiving due notice from the Company and shall follow all such procedures as required under law for recovery/ repossession of the security.
- i) Borrower/ customer's questions should be answered in full. They should be provided with the information requested, given assistance and issues raised by them resolved. Accounts with unresolved issues are to be escalated to the Company's Collections Officer.

**8. VALUATION AND SALE OF SECURED ASSETS:**

Valuation and sale of property repossessed by the collections Agency on behalf of the Company will be carried out as per the law and in a fair and transparent manner.

**9. DISPUTE RESOLUTION:**

All Borrower/ customers grievances that the Service Provider personnel is unable to satisfactorily resolve shall be escalated basis the below escalation and response table in line with the customer grievance Redressal policy.

**10. DOS AND DONT'S FOR COLLECTION AGENCY/ RECOVERY AGENTS**

Dos	Don'ts
First call at officially registered contact number with the Company	Do not make the first call at office or residence phone if a registered phone number is available

Do dress in formal clothes and carry the identity card issued by the Company during work hours	Do not get personal, tough, or aggressive or abusive
Be punctual and available at meetings organized by the Company	Do not discriminate based on caste, gender and/ or religion
Visit and analyze the customer situation.	Do not humiliate borrowers in public places by discussing their loan over dues with third parties/ neighbors
Ask for reasons for non-payment of EMI/ Dues	Do not abuse, threaten or use muscle power or misrepresent or present information to threaten borrower
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 borrower/ customer in an appropriate manner	Do not humiliate the customer, lose temper, get angry or irritated irrespective of the situation
Do answer the borrower's query to the satisfaction of the borrower.	Tone should not be harsh or loud
Keep records of written communication/ interactions with the customer	Do not make false promises to customers like promising higher loans in case of part payments or such other incentives
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 discuss the borrower's debt/ overdue amount where others can overhear

If the borrower refuses to pay update on impact or consequence - negative credit history, difficulty of future credit	Do not seize customer assets or any personal documents e.g. Voter ID, ration card etc.
Visit the borrower/ customer on dates on which he/ she has promised to make payments	Do not share customer's information with other customers
Maintain a reasonable distance from the customer	Do not call borrowers at inappropriate times such as bereavements, illness, social occasions such as marriages, births, etc.
Contact/ visit customers at appropriate hours i.e. between 8.00 a.m. & 7.00 p.m.	
Do keep Borrower information confidential and use it only for permissible purposes defined by the Company	

**11. REVIEW OF POLICY:**

A review shall be done on a periodic basis, at least annually. Any change in this Policy shall be approved by the Board of Directors of the Company.

