

Code of Conduct for Recovery Activities

Version 2.0

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REVISION HISTORY:

Version	Author	Date	Revision
1.0	Uttam Mohanty	02-11-2018	First Issued Version
2.0	Nitin Tayade	21-10-2022	Updated Code of Conduct in view of the Notification No. RBI/2022-23/108 dated August 12, 2022

Process Owner	Collection
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BACKGROUND

The policy on collection outlines minimum requirements that need to be adhered by UGRO Capital Limited, its employees and authorized representatives, when contacting a borrower for repayment of overdue instalments and/or other applicable charges like late payment interest, cheque bounce charges etc. These requirements are also aligned to the minimum standards of banking practices for Banks/Non-banking Financial Institutions (“NBFCs”) set by The Banking Code and Standards Board of India (“BCSBI”) and the requirements as set out under the Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs dated November 09, 2017 issued by the Reserve Bank of India.

Besides UGRO Capital Limited, its authorised representative may also contact the Borrower(s) on behalf of UGRO Capital Limited. The code is a mandatory requirement for all individuals/persons/authorised representatives/entities who contact the Borrower(s) on behalf of UGRO Capital Limited.

All the Borrower(s) must be treated with respect, dignity, courtesy and fairness in debt collection efforts. UGRO Capital Limited believes that this is not only the right thing to do, but also the most effective practice to be followed.

It is imperative that all persons involved in collection related activities must adhere to this policy and strictly agree to abide by the core underpinnings as described below prior to beginning the collection activities with respect to the Borrower(s) of UGRO Capital Limited.

This policy applies to all employees of UGRO Capital Limited including affiliates and employees/authorised representatives that may be engaged to follow up with the Borrowers to collect the legitimate dues on behalf of UGRO Capital.

REVISED SCOPE OF CODE OF CONDUCT

Considering the multiple instances of deviations during recovery activities that has been observed by RBI and in view of the concerns arising from such activities, the RBI has vide its notification dated August 12, 2022 strictly advised the NBFCs to ensure that, they or their agents do 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 upon the privacy of the debtors' family members, referees and friends,
- 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,
- making false and misleading representations, etc.

REVISED CODE OF CONDUCT

The following are the core underpinnings of the collection process. These are an extract of the Company collection values.

1. The Borrower(s) deserve to be treated with dignity with no acts intended to humiliate the borrower publicly. The Collections Representatives should always remain professional during the telephone conversations and personal visits to the Borrower(s). No written or verbal threats, abuse or rudeness is permitted under any circumstances. The Collections Representative should use only acceptable business language, even if the other party does not.
2. At the same time, the Collection's Representatives also deserve to be treated with dignity. They may refer the instance(s) to the management, or end calls when a Borrower becomes abusive or threatening. The Borrower(s) should be informed prior to termination of such calls. All calls where the Borrower becomes abusive or threatening should be appropriately documented.
3. All calls being made to the Borrower(s) must be recorded as per the requirements of the Code of Conduct stipulated by the Reserve Bank of India ("RBI"). The Collections Representatives should always identify themselves and the company/entity that they represent at the very beginning of every interaction with the Borrower(s) and must also inform the Borrower(s) that the call is being recorded.
4. The Borrower(s), his / her family members, referees and friends are entitled to their privacy. The privacy policies apply to all the conversations with the authorised representatives/associates of UGRO Capital Limited, as stipulated in this document.
5. All collection activities should be consistent with the guidelines provided in this document and in compliance with the Code for collections of dues stipulated (from time to time) by the Reserve Bank of India. All the letters, telegrams and other communication must be in the format approved by UGRO Capital Limited.
6. The Borrower(s) should be called only between 0800 Hours and 1900 Hours.
7. The Borrower(s) should be called no more often than is reasonable in the context of the debt, and the conversations logged on the system and the convenience of the Borrower(s) to talk, should be enquired at the beginning of each call.
8. The Borrower(s) requests that calls/visits to place of work be stopped are to be honoured if he/she provides a suitable alternate where he/she may be reached during collection working hours. Such Borrower(s) should be asked to provide an alternate address/phone number where they may be reached.

9. The Borrower's questions should be answered in full and the authorised representatives shall not make any false or misleading statements. They should be provided with information requested, given assistance and issues resolved. All the accounts with unresolved issues are to be escalated to management.
10. The Borrower(s) or third-party requests for supervisor names or requests to speak with supervisor should always be honoured.
11. UGRO Capital Limited respects a borrower's privacy. The borrower's debt/obligation may normally be discussed only with the borrower and co-borrower/guarantor, and the employer in cases of corporate facilitated loans. In certain cases the borrower may specifically authorize in writing to discuss the borrower's debt with a particular third party, such authorization should be documented as and when the borrower provides it.
12. Strict restriction should be in place to avoid use of social media platform for contacting borrower's relatives and friends including sending inappropriate messages. The borrowers should only be contacted on their registered contact details.
13. If any Agent or Agency found in default of code of conduct of UGRO Capital Limited, corrective / penal measure will be taken against same.
14. Every call/concern needs so be classified in four categories Complaint, Request, Enquiry, and Escalation.
15. Every authorised representative must complete the training on Code of conduct in every six months and at the time of joining. Training completion declaration has to be taken from each & every authorised representative.

RISK CONTROL MATRIX

Further, in every six months, training material will be reviewed & update will be made, if required, which would include topics like Fair Practice Code, fees and charges, Bureau updation, Repayment and Soft Skills, etc.

A committee, headed by Head - Collections & Litigation, will be formed to review the Root Cause Analysis of the complaints received, resolutions and any other issues relating to the borrower's complaint. The Committee should present the data related to borrower's complaint to the management.

Further, in every six month, at least once review meeting will be scheduled by the Head - Collection & Litigation with all the relevant stakeholders and a report should to be submitted to Audit Team & Risk Team if any incident happens.