

mPokket Financial Services Private Limited

Code of Conduct

INTRODUCTION:

mPokket Financial Services Private Limited (“mPokket” or “Company”) is required to put in place a Board Approved Code of Conduct for its Collection-Recovery Agents (RAs) in accordance with the Paragraph 106 [Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs] of the RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time (“RBI Directions”). Accordingly, the Company has adopted this board approved Code of Conduct for Collection-Recovery Agents (RAs) (“Code”).

APPLICABILITY:

This Code shall be applicable to all the arrangements between the Company and its RAs (collectively referred to as “Lending Service Provider-LSPs”). This Code will apply to all the persons involved in collection of any loan or other financial product of the Company or third-party having a tie-up with the Company. The LSPs must agree to abide by this code prior to undertaking any operation on behalf of Company. Any employee/ agent of LSPs violating this code may be blacklisted and the concerned LSPs shall promptly report to Company any violation. Failure to comply with this requirement may result in permanent termination of the business of the LSP with Company.

WHEN YOU MAY CONTACT A CUSTOMER BY TELEPHONE?

Telephonic contact must normally be limited between 08.00 Hrs. and 19.00 Hrs. Calls earlier or later than the prescribed time may be placed only when the customer has expressly authorized Digital Customer Specialist (DCS) to do so either in writing or orally.

STANDARD TELE-CALLING ETIQUETTE (AS SPECIFIED BELOW) SHOULD BE PRACTICED.

The caller should identify himself, state the purpose of calling, educate the customer about the product, and strive to endorse the brand on the advantages that the particular transaction can offer, as well as maintain a courteous disposition towards the Customer.

PRE- CALL

- No calls prior to 08.00 Hrs or post 19.00 Hrs
- No serial dialling;
- No calling on lists unless list is cleared by team leader.

DURING CALL

- Identify yourself, and state that you represent the Company;
- Request permission to proceed;
- State the reason for your 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;
- Reconfirm next call or next visit details;
- Provide your telephone no, your supervisor’s name or mPokket officer’s contact details if asked for by the customer.
- Thank the customer for his/ her time.

GIFTS OR BRIBES

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- Any DCS/ representative must not accept gifts from prospects or bribes of any kind. In case any customer offers a bribe or payment of any kind, such DCS must promptly report it to his/ her management.

PRECAUTIONS TO BE TAKEN ON VISITS/ CONTACT

- Respect personal space – maintain adequate distance from the prospect;
- Not enter the prospect's residence/ office against his/her wishes;
- Not visit in large numbers – i.e. not more than one or two, 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 No., Supervisor's name or mPokket officer's contact details, if asked for by the prospect/ customer;
- Limit discussions with the prospect to the business and maintain a professional distance. Handling of Letters, Emails & other Communication Any communication sent to the prospect should be only in the mode and format approved by the authorised officer of mPokket.

The Collection-Recovery Agents engaged by mPokket must adhere to the below-mentioned guidelines in the course of performing their duty as a Collection-Recovery Agent:

Contact with Customer

1. Customer should be contacted at an appropriate time.
2. Customer should be contacted ordinarily at the place of his/ her choice and in the absence of any specified place at the place of his/ her residence and if unavailable at his/ her residence, at the place of business/ occupation;
3. Maintain a log of all calls made to the delinquent/defaulted Customers along with a brief note on the outcome of the call;
4. Not make a demand for payment of an account by telephone, personal call or in writing, without indicating the name of the Company to whom the debt is owed, the balance of the account, and the identity and the basis of the claim of the person making the demand;
5. Except for references provided by the Borrower who have explicitly provided their consent via any medium, CRA should not communicate with an employer, acquaintance, friend, relative or neighbour of the Customer for matters dealing with such recovery;
6. Customer privacy should be respected;
7. Not disclose or threaten to disclose information about a debt which, with valid reason, is disputed by the Customer, without disclosing the fact that the Customer disputes such debt;
8. Not disclose or threaten to disclose information which could adversely affect the Customer's reputation for creditworthiness, when they know or have reason to suspect that the information is false;
9. Not initiate or threaten to initiate communication with the Customer's employer prior to obtaining final judgment against the Customer, in order to exert pressure on the Customer. This does not prohibit the DRA and its employees/ representatives from communicating with the Customer's employer solely to verify employment status or earnings or where an employer has an established debt counselling service or procedure;
10. Not give, or threaten to give, by implication, inference or statement, to the person who employs a customer, his or her spouse or any member of his or her family, information that may adversely affect the employment or employment opportunities of the Customer, his or her spouse, or any member of his or her family;
11. Interaction with the customer should be in a polite and civilized manner;
12. Customer request to avoid calls at a particular time or at a particular place should be honoured as far as possible;
13. Customer should be provided with the information regarding his dues;
14. Reasonable notice would be given before repossession of security and its realization;
15. All assistance should be given to resolve disputes or differences in a mutually acceptable and in normal manner;

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16. During visit to the customer's place for collection of dues, decency and decorum should be maintained;
17. Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls/ visits to collect dues.
18. Not use obscene, defamatory, abusive, or threatening language while communicating with the Customer or persons related to him/her or resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts; For the purpose of this Code, intimidation and harassment shall include acts intended to humiliate publicly or intrude on the privacy of the Customer's family members, referees, and friends or make threatening and anonymous calls or make false and misleading representations.
19. Strictly avoid any appearance which may suggest any criminal intimidation or threat or violence.
20. A collection agent or its employee/s while collecting the amount due should not:
 - Resort to any false, deceptive or misleading representation,
 - Falsely represent or imply that he/ she is connected with or affiliated with any governmental or judicial authority,
 - Falsely represent the character, amount, or legal status of the debt.
 - Abstain from using any identification which can lead to wrong representation
21. Collection Agents or their employees should be appropriately dressed and well-groomed.
22. Collection Agents shall all time abide by the Collection Policy of the Company.
In case of non-adherence to above terms, agency will be solely responsible for consequences, if any, arising therefrom.

Professional Representations and Conduct [As Applicable]

The DRAs and their employees/representatives shall use their best efforts to ensure maximum recovery on all accounts. In the process of such debt recovery, the DRAs and their employees/representatives shall, at all times:

1. comply with all laws and regulations governing the conduct of debt collectors, commercial agents, and similar persons;
2. not use any methods or tactics that are inconsistent with the policies of the Company nor should it harm the reputation of the Company. Should the DRAs and their employees/representatives have any doubt as to whether any method or tactic might contravene this, they shall consult the Company before employing such method or tactic and shall abide by any decision of the Company with respect thereto;
3. not seek to secure the arrest or committal of any Customer;
4. not do anything that can give a right to any person for a civil liability for tort or criminal liability

Do's and Don'ts for Collection-Recovery Agents (CRAs):

Key Areas	Do's	Don'ts
Appearance	<ul style="list-style-type: none">• Well-groomed with proper hair cut• Clean shave, well maintained beard	
Dress Code	<ul style="list-style-type: none">• Light coloured, well-ironed shirts, preferably buttoned down.• Well ironed, creased trousers of dark shade• In winter, a coat/ plain pullover• Formal Shoes	

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Belongings	<ul style="list-style-type: none"> • Daily Collection Run Rate (DCR) Sheet • Receipt Book • Minimal Stationery • Code of Conduct • Company's collection policy • Identity Card 	
Ethics		Collection Agent/s should not make any verbal or written promises to customer without supervisor/ Company approval on matters outside his/ her purview or any ad hoc settlement / product features
Confidentiality		Information written or verbal shall not be divulged to any customer/ competitor/ any other person without proper authorisation (for eg: Photocopy of stat card, showing previous trails of customers.)
Process/ Discipline	Product	Collection agent(s) will perform their role within the framework of the instructions issued to them in terms of process notes and specifics of collection action based on the product.
Maximize Effectiveness		Collection Agent/s will strive to maximize the effectiveness of the visitations by pre-visit preparation and result orientation in order to improve results. Will document result in visit/ action taken
Proximity	Maintain a reasonable distance from the customer	<ul style="list-style-type: none"> • No physical contact with the customer. • No obstruction to customer movement. • No use of muscle power

Customer Communication Guidelines for Representatives of mPokket

In addition to the Code of Conduct guideline, the following guidelines should be adhered to by all the individuals/ persons/ associates/ agents/ entities (hereinafter referred to as "Representatives") authorized to represent mPokket for collection of dues from the customers. In case of failure to comply with these guidelines, appropriate and strict disciplinary action shall be taken against such person.

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1. Treat the customer with dignity. During all the conversations – communication (over telephone/ in writing/ during visits) professionalism and transparency should be maintained and the Representatives should not treat it as personal.
2. Use the language which the customer understands and use the language of customer's choice. Strictly avoid use of tough/ aggressive/ threatening/ abusive language, either verbal or in writing. Care should be taken to strictly avoid threatening/ harassing / irritating the customer.
3. In case any customer resorts to abusive or threatening tactics, the Representatives should document it and promptly inform the incident including the name of such customer to mPokket.
4. Representatives are not authorized to send any written communication by any mode (e-mail, letter, electronic messages, social media, etc.) to mPokket Customers. If customers are required to be communicated on e-mails/ letters/ electronic messages, Representatives should send a request to mPokket along with reasons and requirements for such written communication.
5. Representative should not mislead the customer about the action proposed and the consequences thereof.
6. Representative should not mislead the customer about their true business or organization name, or falsely represent or imply that representative is an attorney, government official, officer of any Court, Police Station, etc.
7. Without prior permission from mPokket, Representative should not make any promise or commitment to any customer on behalf of mPokket.

General

The below-mentioned provisions shall apply to all LSPs (DMAs/ RAs or any other representative of the Company) –

Appearance and Dress Code

1. Employees/representatives of the LSPs must be appropriately dressed and in proper attire while meeting with Customers:
 - For men, this means well-ironed trousers, and a well-ironed shirt, with the shirt sleeves preferably buttoned down.
 - For women, this means well-ironed formal attire (saree, suit, etc).
 - Jeans, t- shirts, and open sandals are not considered appropriate.
 - Company shall issue the authorisation letter to LSPs . The authorisation letter issued by the Company shall come with validity and shall be carried at the time of collection. The employees/representatives of the LSPs should carry the letter along with the identity card provided to them by the Company. The identity card issued by the LSPs should state the full name, designation of the employee/representative along with his/her photograph and the details of the LSPs such as name, address and contact number. The employee/representative must prominently display the identity card on their person.

Training and Conduct

1. The Company & LSPs must ensure that its employees/representatives and executives are properly trained to handle their responsibilities with sensitivity and care.
2. The LSPs shall not during the execution of its duty, contract or sub-contract its duties and obligations, unless the same has been specifically permitted by the Company. Further, such contractors/sub-contractors shall abide by this Code while conducting such duties. Liability and Compensation The LSPs shall compensate the Company for any loss and/or damage caused to the Company as a consequence of any misconduct, illegal and/or criminal act or negligence on its part. In the event of such a claim, the Company shall be entitled to realize the same from future or outstanding payments due to the LSPs.

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Use and Disclosure of Confidential Information

1. The LSPs shall at all times respect the confidentiality and privacy of any information supplied by a Customer and shall be factual, truthful and tactful in using such information.
2. The LSPs shall respect the Customer's privacy. His/her interest may be discussed only with him/her and should only be discussed with any other individual/family member such as the Customer's accountant/ secretary/ spouse when authorised to do so by the Customer.
3. The LSPs must not use or disclose Confidential Information for any purpose other than the purpose for which the Confidential Information was provided to the LSPs as set forth in the appointment letter along with its annexures.
4. The LSPs must agree to implement appropriate measures designed to ensure the security and confidentiality of Confidential Information, to protect such information against any anticipated threats or hazards to the security or integrity of such information, and to protect against unauthorized access to, or use of, Confidential Information that could result in substantial harm or inconvenience to any Customer of the Company or any of its subsidiaries, affiliates, or licensees.
5. On the termination of the service arrangement or agreement, the LSPs shall hand over or cause to be handed over all such Confidential Information and all other related materials in the LSPs possession to the authorised representative of the Company.
6. In the event of a breach or threatened breach by the LSPs of this clause, monetary damages may not be an adequate remedy; therefore, the Company shall be entitled to injunctive relief to restrain the LSPs from any such breach, threatened or actual.
7. The LSPs shall never allow any personal emotion or any unfriendly feelings towards any Customer to become evident in any dealings with such a Customer, but shall at all times retain a professional approach, and shall be guided in all dealings by sound principles and procedures of debt collection and debt management.

Reporting and Compliances

The LSPs shall provide the required information to the Company to enable the Company to assess the ability of the LSPs to continue meeting its obligations.

Events of Violation of the Code

The following will construe as events of violation of the Code by the LSPs:

- The Company receives a written complaint from an aggrieved person or Customer with or without sufficient proof of violation of the Code, within 30 calendar days of the violation.
- There is a report of violation of the Code during any internal or regulatory audit of the Company's debt recovery process.
- Any such event, which, in the sole discretion of the Company is in violation of the provisions of this Code.

Punitive Action on Violation of the Code

In the event of violation of the Code, the Company will seek a written explanation from the concerned LSP and may, on its sole assessment, based on the seriousness and the extent of violation, take any one or more of the following actions:

1. Issue a written warning against the violation of the Code and seek details of control processes to be adopted by the LSP to avoid the recurrence of the violation;
2. Seek a detailed explanation of the Customer complaint;
3. Blacklist the erring employees of the LSP;

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4. Permanently terminate the LSP informing the public by displaying such status of termination in its website that the said LSP has ceased to be a representative of the Company;
5. Seek from the violating LSP reimbursement of any expenses incurred by the Company and/or payment of penalties levied by any competent authority on the Company due to violation of the Code.
6. Seek damages from the LSP;
7. Take necessary legal action against the LSP;
8. Do all such acts and/or deeds or exercise any such rights as may be available to the Company under the prevalent circumstances.
