



**UV Asset Reconstruction Company Limited
(UVARCL)**

Policy and Code of Conduct for engaging Recovery Agency

**Reviewed by the Board of Directors in its Board meeting held on August 28, 2025.*

Preamble

During the course of business and with a view to mitigate the financial/operational risk and also for faster and considered decision, both at acquisition and resolution stage, Company needs to outsource some of its activities. The service providers for such activities have to be carefully selected as Company will have Principal Agent relationship for the job assigned to them. Due to this relationship, Company will be responsible for their actions, therefore, selection of any service provider become utmost necessary. It is also necessary that such arrangement should not diminish obligations towards stakeholders and the regulator. This will also be ensured that this also should not impede effective supervision of Reserve Bank of India and work within legal framework. Thus, there monitoring/periodical review be also entrusted to the senior official of the Company.

Company in its business operations many a times do need to outsource activities by appointing:

- **Analysts/Professionals to do the due diligence of the financial assets being considered for acquisition.**
- **Valuers to assess the valuation of secured assets underlying the borrowal accounts.**
- **Advocates to handle the legal cases and legal retainer for taking his considered advice in various matters.**
- **Resolution Agents/ Recovery Agents to help in realisation of financial assets acquired (as part of Asset Resolution Policy)**

Company is already having in place policies duly approved by Board of Directors related to above activity and selection of outsourcing the professionals. These policies are also reviewed/updated periodically by management for which approval(s) of the Board is taken.

In case Company do require some other activity to be outsourced at a later stage, concurrence of Board of Directors will be taken.

Reserve Bank of India vide notification no. **DOR.NBFC (ARC) CC. No. 9/26.03.001/2020-21** dated July 16, 2020 has prescribed minimum regulatory expectation for Fair Practice Code which also gives the regulatory expectations advising that Asset Reconstruction Companies (ARCs) Board can enhance its scope and coverage. It is also advised that Board must involve itself in its evolution and proper implementation at all times. It is also advised by Reserve Bank of India to put in place a Board approval code of conduct for Recovery Agents to be engaged in resolution/recovery of its Financial Assets and underlying assets. These Agents also need to give an undertaking to abide by this code.

In view of above, Company is hereby placing the revised policy and also Code of Conduct for Recovery/ the Resolution Agents for approval of the Board.

Policy and Code of Conduct for engaging Recovery Agency

With the objective of faster resolution, the company may appoint Resolution Agent who are experts in the field of recovery. Appointment of Resolution Agent (RA) shall be made with utmost care and the Agent so appointed should have sufficient experience preferably for over 3 years in the business of assisting banks/ARCs and others for realisation of Financial Assets acquired by Company.

The Resolution Agency and their employees during the course of their services shall adhere to the following terms and conditions relating to their conduct for which they shall furnish the required undertaking:

- The RA shall comply with all legal requirements and obtain such licenses, approvals and consents, if any, prescribed/ required under any law/ rules /regulations, and keep them valid.
- The RA shall be adequately equipped, in terms of infrastructure, manpower and expertise to provide the Service and undertakes to provide the service all the time during the period of its agreement.

The Resolution Agent and its staff should not resort to harassment of the borrower(s) and must be adequately trained to deal with customer in appropriate manner.

- The Agent shall itself look after its needs as to insurance of its representatives, its assets including vehicles, and such other needs.
- The Agent and its employees shall ensure the following, during the course of their services with UVARCL:
 - employ its best efforts to collect the amount(s);
 - observe the highest professional and ethical standards;
 - adhere to the instructions and guidelines provided by the UVARCL from time to time;
 - Observe strict customer confidentiality;
 - not adopt or resort to any method, conduct or procedure in contravention of any law;
 - not to use coercive methods for recovery of loans;
 - not to harass the borrower and their responsibility with sensitivity particularly in respect of hours of calling and must not adopt uncivilized, unlawful and questionable behaviour etc.

- The RA may also pursue, if asked, legal proceedings pending/initiated before various judicial authorities / forum etc. by or against company.
- The RA shall not be empowered to use any powers/authority under SARFAESI Act, 2002.
- The Agency shall ensure that the personnel {including its owner(s), director(s), partner(s), employee(s) & sub-agent(s)} engaged by the Agency in relation to the Service will be the sole responsibility of the Agency as to their costs and consequences arising out of their engagement or conduct. UVARCL shall not be liable to pay any remuneration or compensation to the Agency or any of the personnel (including its owner(s), director(s), partner(s), employee(s) and representatives) engaged by the Agency in relation to the Service except the fee payable to the Agency.
- The Agency shall ensure and give an undertaking to:
 - treat all information (whether verbal, written or otherwise) and materials (whether in hard form such as papers, documents or soft form such as electronic data, floppies or cassettes) received from the UVARCL in relation to the service as confidential;
 - exercise utmost care in preserving the confidentiality of such information and material;
 - not disclose or pass on or cause to be disclosed or pass on such information or material to any others;
 - return or destroy such information and material to the UVARCL as and when and in the manner required by the UVARCL;
 - preserve documents and/or data in accordance with the legal/regulatory obligation of the UVARCL;
- While engaging the RA, it shall be ensured that neither the Agency nor any of the personnel engaged by the Agency for the purpose of the Service [including its owner(s), director(s), partner(s), employees(s) and representative(s)] shall have employee employer relationship with the UVARCL.
- The RA shall undertake to follow the following procedure for collection of dues from the borrower(s):
 - To inform the UVARCL the names, bio-data and other details (as may be required) of the personnel who will represent the Agency for collection of the amount(s) due.

- The Resolution Agency or its representatives should carry a copy of the notice and the authorisation letter issued by UVARCL during the recovery process
 - The representatives of the RA shall not accept payment in cash. Whenever the party desires to make payment in cash, the party shall be advised to directly deposit the cash in the UVARCL office.
 - The representatives of the Agency shall, under the Service, collect the amount(s) only by cheques / drafts drawn in favour of UVARCL and crossed 'A/c Payee only' or through RTGS/NEFT and in no other manner. The instruments so collected shall be tendered at UVARCL office. They shall not receive any cheque / draft in their names.
 - The Agency shall submit to the UVARCL on the 15th and the last day of every month (or at such periodicity as may be required by the UVARCL), a report indicating the status of collections, investigations and follow up in relation to all amount(s) requested and authorized to be collected by the UVARCL under the service.
- The RA may involve itself (if authorised by Company) in doing negotiations / settlement with the borrower and/or taking necessary steps for enforcement of security interest till full realization of the dues of company or as per agreed terms.
 - The Agency shall indemnify the UVARCL, its Directors/Officers and keep the UVARCL indemnified against all loss, liability or obligation arising out of its conduct or that of any of the personnel {including its owner(s), director(s), partner(s), employee(s) & representative(s)} in connection with the Services to be provided.
 - The UVARCL shall in consideration of the services, pay to the Agency, fee as per the agreed terms and conditions.
 - The fee payable by UVARCL shall be all inclusive and no operational expenses would be reimbursed to the Agency. However, expenses which are to be normally incurred by the UVARCL such as expenses for bringing the assets to sale/insurance, if incurred by the Agency after proper authorization by UVARCL, may be reimbursed to the agency on merits of each case.
 - Preferably a non-exclusive agreement between UVARCL and the RA shall be signed so that the agency should not have any exclusive right to provide the services and UVARCL shall be free to engage as many companies/firms, to provide such services and enter into agreements with any other person, Firm, Company, Organization, as may be deemed fit by the UVARCL.

- The RA, its employees, representatives etc. shall not use the name, trademark and/or logo of the UVARCL in any sales or marketing publication or advertisement or in any other manner.
- The UVARCL shall have a right to terminate any time the agreement executed with RA without assigning any reason whatsoever.
- UVARCL's decision in respect of engagement/termination of RA shall be final and binding on the agency.
- UVARCL to constitute Grievance Redressal Committee which will beside other also address the grievance/complaint made against Recovery Agents.
- Whole Time Director is authorised by Board of Directors to appoint, terminate Resolution Agents.
- Whole Time Director to also monitor/review the working of Resolution Agent to ensure that they are working as per the Code of Conduct and terms of engagement.
- The Policy to be reviewed by Board of Directors once in two years or whenever the same is changed due to the guidelines of Reserve Bank of India and/or the same is required to be changed by the Company.