



Fair Practices Code

Pursuant to the RBI Circular No. DOR.NBFC(ARC) CC. No. 9/26.03.001/2020-21 dated July 16, 2020 as amended from time to time, Phoenix ARC Private Limited (“**Company**”) has framed and adopted this Fair Practices Code (“**the Code**”). Objective of the Code is to ensure transparency and fairness in operations of the Company.

Acquisition of financial assets

Acquisition of financial assets by the Company shall be in compliance with the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, applicable RBI guidelines/directives and Asset Acquisition and Valuation Policy of the Company.

Company shall adopt transparent and non-discriminatory practices in acquisition of financial assets. Financial assets shall be acquired from selling banks or financial institutions including sponsors on arms’ length basis where acquisition price is determined by the market factors. Company shall not acquire financial assets from its sponsors on bilateral basis.

Management Fees, Expenses and Resolution Incentives

Management Fees, incentives and expenses charged to the Trusts under management of the Company shall be in accordance with applicable RBI guidelines/directives and Asset Acquisition and Valuation Policy of the Company.

Company shall ensure that management fees, yield on Security Receipts (“SRs”) and upside income shall be calculated and recognized in accordance with Income Recognition norms stipulated by RBI from time to time. Company shall ensure that management fees and resolution incentives charged to the SR Holders / Trusts under its management are in accordance with the Acquisition and Valuation Policy of the Company.

Company shall ensure transparency in dealing with existing and prospective investors of SRs. Company shall:

- adopt fair and transparent practices in acquisition & resolution of financial assets,
- make timely disclosure of information,
- timely distribute recovery proceeds and
- timely dissolve the Trust.

Resolution of financial assets

For resolution of financial assets Company shall resort to remedies which are legally & legitimately available to it and shall avoid undue harassment of the borrowers. Practices adopted by the Company for recovery of dues and enforcement of secured assets shall be fair, non-prejudicial and in consonance with applicable law. Company shall not initiate any legal or recovery measures including repossession of the secured assets without giving due notice in writing to the borrower. Employees of the Company shall be adequately trained to deal with the borrowers appropriately. In course of recovery of dues, employees and recovery agents shall abide by the guidelines/code of conduct set out in the Debt Collection Policy forming part of Resolution Policy of the Company. Privacy of the borrowers shall be respected, and confidentiality of their information shall be maintained at all times.



Company shall ensure that the employees of the Company 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.

Release of secured assets

Company shall release all secured assets on repayment of dues or on realisation of the outstanding amount of loan, subject to any legitimate right or lien for any other claim it may have against the borrower. Company shall also return to the borrower all the security documents, title deeds and such other documents pertaining to the secured assets and issue no-dues certificate after receipt of all the outstanding dues. If Company exercises any right of set off, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which Company is entitled to retain the secured assets till the relevant claim is settled/ paid.

Sale of secured assets

Company shall ensure transparency and fairness in sale of secured assets. Invitation for participation in auction of secured assets shall be publicly solicited so as to enable participation of as many prospective buyers as possible. Terms and conditions of such sale wherever required, may be decided in wider consultation with holders of SRs issued under the respective Trust. Spirit of Section 29A of Insolvency and Bankruptcy Code, 2016 shall be followed while dealing with prospective buyers of the secured assets.

Grievance Redressal

Company has established Board approved Grievance Redressal Mechanism to ensure effective and timely redressal of customer grievances. The Grievance Redressal Mechanism also covers the grievances pertaining to the services provided by outsourced agencies and recovery agents appointed by the Company. The Grievance Redressal Mechanism provides for impartial resolution of the grievances within the pre-defined time frame. The complaints received under the mechanism are reviewed by the Board of Directors of the Company in terms of Grievance Redressal Mechanism Policy of the Company.

Confidentiality of information

Company shall maintain utmost confidentiality in respect of the information acquired by it from investors, seller banks/financial institutions, borrowers during the course of its business. Company shall not disclose such information to anyone except when required by law, or there is duty towards public to reveal the information or with permission of the disclosing party.

Outsourcing of activities

Company shall endeavour to carry out key business operations in-house as much as possible. Activities requiring significant manpower, wider geographical presence or technical expertise may be outsourced to external service providers. Company has in place policy relating to:



- Appointment of Recovery Agents for Collection of Dues, forming part of Resolution Policy which sets out parameters for appointment of recovery agents and defines their duties and responsibilities.
- Outsourcing Policy which sets out guidelines for outsourcing of certain other activities of the Company

Performance of such service providers shall be continuously monitored and reviewed from time to time. Company shall ensure that outsourcing arrangements neither diminish its ability to fulfil its obligations towards its customers and the RBI, nor impede effective supervision by RBI. The outsourced agency, if owned/controlled by any director of the Company, the same will be disclosed as specified in the RBI Master Circular issued from time to time.

Compliance and Review of the Code

Company shall ensure that the Code is diligently followed and is duly complied. The Board of Directors of the Company shall review compliance with the Code on an annual basis.