



Indian School Finance Company Private Limited

Collections & Recovery Policy

Policy Version ISFC/ Ver 1.07/2024-25

Introduction

The Collections & Recovery Policy of Indian School Finance Company Pvt Ltd (hereafter referred as "ISFC") shall aim at making the recovery process faster, so that Gross NPA level is maintained as per the risk appetite of ISFC. It is essential for a sound NPA management system to have functionality allowing for quick identification of non-performing advances, their containment at minimum levels and ensuring that their impingement on financials of the company is minimum.

Objectives & Principles

The quality and performances of advances have a direct bearing on the profitability of ISFC. Despite an efficient credit appraisal, disbursement and monitoring mechanism, problems can still arise due to various factors and give scope for Non-Performing Assets (NPA). These factors may be internal or external.

Key objectives of the policy

The objective of the collections department is to start collection activities in very early stages of the account being overdue and persuade the customer to repay the overdue instalments and prevent the customer from going into a state of default. This activity is a major focus area for the portfolio to behave well.

- The Policy is aimed at strengthening the management and recovery of NPAs and proactive initiatives to closely monitor existing accounts
- The Policy continues to lay stress on early identification and reporting of all existing and potential problem loans in preventing the incidence of NPAs.
- The Loan Review Mechanism to be triggered on detection of early warning signals to ensure an effective and quicker response for correction
- The Policy emphasizes a broad approach, including critical parameters to be considered, towards the collection, recovery and resolution of loans through compromise settlements etc.
- The Policy also proposes an approach for cleansing of our NPA portfolio through judicious written offs
- The Policy aims at improving internal efficiency of the recovery machinery and thus enhance the profitability of the Company
- Initiation and managing the legal process as per the recovery policy. Coordinate with law enforcement agencies for recovery of bad loans.

Guiding principles of this policy

- ISFC's recovery procedure will be based on legal and acceptable practices
- ISFC will treat its defaulters with respect and dignity while being focussed on recovery
- ISFC will follow only ethical practices and will not resort to unduly coercive tactics in the process of recovery of NPAs.
- ISFC will not initiate any legal or recovery measures including repossession of the security without giving due notice to the borrower in writing. ISFC will follow all such procedures as required under law for recovery/repossession of the security.
- Repossession of security will be only at recovery of dues and not to deprive the borrower of the security. Repossession, valuation and realization of security will be always done in a fair and transparent manner.

Policy Review & Approval process

The Policy would be reviewed and updated on annual basis and the revised version will be placed to Board by circulation for approval of the Board.

Key Definitions

Default :Default is considered to have occurred when an asset is classified as non-performing asset ('NPA').

Non-performing assets: "Non-Performing Asset (referred to in these Directions as "NPA") shall mean: (a) an asset, in respect of which, interest has remained overdue for a period of (three months) or more; (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of (three months) or more or on which interest amount remained overdue for a period of (three) months or more;

Overdue: Any amount due to the company under any credit facility is 'overdue' if it is not paid on the due date fixed by the company. The exact due dates for repayment of a loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be clearly specified in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and also at the time of subsequent changes, if any, to the sanction terms/ loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment of principal and/or interest, the exact date of commencement of repayment shall also be specified in the loan agreements. In case of existing loans, compliance to these instructions shall necessarily be ensured as and when such loans become due for renewal/ review.

Loan Appraisal, Terms, and Key Facts Statement

ISFC shall provide borrowers with a sanction letter or equivalent document in the vernacular language understood by the borrower. This communication will include:

- The loan amount sanctioned.
- Terms and conditions, including the annualized rate of interest and its calculation method.
- Penalties for late repayment, displayed prominently in bold within the loan agreement.

Borrowers' acceptance of these terms and conditions will be documented and maintained in ISFC's records.

ISFC shall provide borrowers with:

- A copy of the loan agreement in a manner understandable to the borrower.
- Copies of all enclosures referred to in the loan agreement.

These documents will be furnished at the time of loan sanction or disbursement to ensure transparency and avoid disputes.

Key Facts Statement (KFS):

- ISFC shall comply with the guidelines on the Key Facts Statement (KFS) as per the circular dated April 15, 2024, and any subsequent amendments.
- The KFS will include key terms of the loan in a clear and concise format, as per the format provided in Annex XXVII of Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.

Penal Charges

ISFC will maintain a Board-approved policy on penal charges, ensuring adherence to regulatory guidelines.

Penal charges, if levied, will apply for non-compliance with material terms and conditions of the loan agreement. These charges will not be added as penal interest to the loan interest rate, and no interest

will be computed on such charges. Normal compounding of interest on the loan account will remain unaffected.

ISFC shall ensure that the quantum of penal charges will be:

- Reasonable and proportional to the nature of non-compliance.
- Non-discriminatory within similar loan or product categories.

For loans sanctioned to individual borrowers for non-business purposes, penal charges will not exceed those levied on non-individual borrowers for similar non-compliance.

Penal charges and their reasons will be:

- Clearly disclosed in loan agreements, the Key Fact Statement (KFS), and the Most Important Terms and Conditions (MITC).
- Displayed transparently on ISFC's website under "Interest Rates and Service Charges."

Borrowers will be notified of penal charges in:

- Reminders sent for non-compliance.
- Separate communications explaining the levy and its reason.

This will apply to all new loans sanctioned or renewed from April 1, 2024.

For existing loans, the new penal charges regime will be implemented during the next review or renewal date, but no later than June 30, 2024.

Introduction to Collections

The Collections and Recovery policy of ISFC is built around dignity and respect to customers. ISFC will not follow policies that are unduly coercive in collection of dues. The policy is built on courtesy, fair treatment and persuasion. ISFC believes in following fair practices regarding collection of dues and thereby fostering customer confidence and long-term relationship. ISFC will keep the customer informed of the method of calculation of interest and how the Equated Monthly Instalments (EMI) or payments through any other mode of repayment will be appropriated against interest and principal due from the customers. ISFC would expect the customers to adhere to the repayment schedule agreed to and approach ISFC for assistance and guidance in case of genuine difficulty in meeting repayment obligations. All the members of the staff authorized to represent the company in collection would follow the guidelines.

Awareness Calling

RM's/Collectors and customer service team (Internal or external-Outsourced) to allocate the calling data and call each and every customer or school owner from the calling list minimum 3 days before the due date and intimate them about the due date. Automated payment notification reminders/messages can be sent across to borrowers through SMS or mail in a customized manner.

Non-Contactable Customers

In case customer is not reachable, contact details provided doesn't exist, customer intention during call reveals fraudulent, Wilful defaulter or intentional, these accounts will be assigned to Field Collection Managers for field Visit and to take appropriate steps for recovery.

Communication Norms

- ISFC/authorized representative is committed to ensure that all written and verbal communication with its borrowers will be in simple business language.
- ISFC/authorized representative will adopt civil manners for interaction with borrowers and would respect privacy of its borrowers.
- The customer would be contacted ordinarily at the place of his / her residence / business / occupation or at the address/es / places furnished by the customer to the company.
- ISFC Tele calling/Sales team or authorized agent to contact customers normally be limited from 0700 Hrs to 1900 Hrs.

Engagement of Recovery Agents

ISFC may utilize the services of recovery agents for collection of dues and repossession of securities. Recovery agents will be appointed as per regulatory guidelines issued in this regard. In this respect:

- The name and address of all Recovery Agents on ISFC approved panel will be placed on their website for information.
- Only recovery agents from the approved panels will be engaged by ISFC.
- In case ISFC engages service of such recovery/enforcement/seizure agent for any recovery case, the identity of the agent will be disclosed to the borrower.
- The recovery agents engaged by ISAF will be required to follow a code of conduct covering their dealings with customers.

ISFC shall perform appropriate due diligence to assess the capability of recovery agents to comply with the obligations outlined in the outsourcing guidelines. This due diligence will include evaluation of:

- Past experience and competence to support the recovery process over the contracted period.
- Financial soundness and ability to meet commitments even under adverse conditions.
- Business reputation, culture, compliance record, history of complaints, and any outstanding or potential litigation.
- Security measures, internal control frameworks, and the adequacy of their business continuity management systems.
- Their due diligence practices concerning their employees to ensure reliability and professionalism.

All engagements with recovery agents will be governed by carefully defined outsourcing agreements, vetted for legal effect and enforceability. These agreements will include the following provisions:

- A clear definition of outsourced activities, along with appropriate service and performance standards.
- ISFC's right to access all books, records, and information relevant to the outsourced activity available with the recovery agent.
- Continuous monitoring and assessment of recovery agents' performance, enabling corrective measures to be taken promptly if needed.
- A termination clause, including provisions for a minimum notice period for executing a termination, if required.
- Stringent controls to ensure customer data confidentiality, along with liability provisions for breaches of security or confidentiality.
- Contingency plans to ensure business continuity in case of disruption.
- ISFC's prior approval/consent before the recovery agent subcontracts any part of their activities.
- ISFC's right to conduct audits on the recovery agent, either directly or through internal/external auditors, and obtain audit or review reports related to the services performed.
- A clause allowing the Reserve Bank of India or its authorized personnel to access ISFC's documents, records of transactions, and other necessary information stored or processed by the recovery agent within a reasonable time frame.
- A clause recognizing the Reserve Bank's right to inspect the recovery agent's books and accounts through its officers or authorized representatives.
- A confidentiality clause mandating the continued safeguarding of customer information even after the termination of the agreement.
- Provisions requiring the recovery agent to preserve documents as mandated by law, with safeguards ensuring ISFC's interests are protected post-termination of the services.

Responsibility of ISFC in engaging Recovery agents

- ISFC shall ensure that recovery agents are trained to handle their responsibilities with care and sensitivity, focusing on proper customer solicitation, respecting calling hours (**8:00 a.m. to 7:00 p.m.**), ensuring privacy of customer information, accurately conveying terms and conditions of products.

- Recovery agents must adhere to ISFC's board-approved **Code of Conduct** and provide an undertaking to comply.
- They must follow the **Fair Practices Code for NBFCs** and any applicable code for collection of dues and repossession of security.
- Recovery agents must not engage in intimidation or harassment (verbal or physical), public humiliation or intrusion into the privacy of borrowers, their families, referees, or friends. Sending inappropriate or threatening messages via mobile or social media. Making persistent, threatening, or anonymous calls calling borrowers outside permissible hours, misleading representations about the loan or recovery process. Recovery agents must maintain strict confidentiality of customer information throughout and beyond their engagement with ISFC.

Classification of Delinquent Pool

Classification & Segregation of Delinquent Pool				
Type	Ageing Stage	Type of Default	Due Date	
LIVE	0 - 30	1 Emi Overdue	1st / 12 th	Bucket one
	31 - 60	2 Emi Overdue	1st / 12 th	Bucket Two
	61 - 90	3 Emi Overdue	1st / 12 th	Bucket Three
	91 +	4 Emi Overdue	1st / 12 th	Bucket Four

Special Mention Account (SMA)

- **SMA-1** is a category in which stress with respect to the principal and interest has remain overdue for a period of more than 30 days to 60 days. These customers need to be handled by Sales and tele-calling team
- **SMA-2** is the third category devised in order to mitigate the bad loan problem with the amount being overdue for tenure between 61 days to less than 90 days. SMA-2 and NPA cases will be handled by Collections.

The dunning matrix	Secured Loans	Unsecured Loans
RISK - X (Current)	Awareness Calling/Bulk SMS	
BKT-1(1-30)	Tele Calling and selective non-contactable cases to be referred on field	
BKT-2 (31-60)	1. 100% to be referred on field. Field referral continues. 2. L-1 Notice will be issued for EMI Bounces subject to request from Collection Head	
BKT-3 (61-90)	1. L1 and L2 Notices will be issued to all EMI bounce cases. 2. Notice Under Sec 138 will be initiated for all the EMI bounce and Section -138 for EMI Bounce will be initiated for all Unsecured loans. 3. Basis mandate from collections, will initiate section 138 for EMI bounce cases for secured Loans.	
BKT->=4 (90+) * LRN and SARFAESI to be used on case-to-case basis with recommendation of Collection Head	U/s 138 EMI Based legal proceedings will be initiated for all secured Loans and specific legal proceedings will be done with specific request from collections head.	All Unsecured Loans will initiate LRN/U/s 138 / DRT/ SUIT/Arbitration Etc

BKT->180+**	LRN/SARFAESI/Arbitration/Section 138 will be initiated for all Secured Loans
** 180+ cases Legal action will be kept on hold only basis collection recommendation	
Any deviation is to decide on case-to-case basis by collection head and COO	
Foreclosure charges will not be applicable for LRN issued cases however all other charges as agreed in the agreement will be applicable.	

Mature loans/small balance cases

Mature loans will be based on vintage of maturity and size of outstanding. Mature loans with/without Principal dues may be closed based on collections feedback, signifying utility or disproportionately high cost of further recovery efforts. These may be flagged as non-Workable based on approval from the Collections Manager for the region. Closure of such accounts will be as per the waiver delegation matrix in force. Mature loans will be based on vintage of maturity and size of outstanding.

Outsourcing

ISFC to recover past due that are in default may outsource the collections to collection agency following outsourcing policy norms duly approved by the Board. Collection agencies will be regulated by ISFC's Fair debt collection practices.

Recovery and Resolution

The repayment record of borrowers shall be monitored both with regard to payment of interest and repayment of principal. Whenever a borrower defaults or is likely to default, rigorous follow-up shall be made for the collection of dues / arrears. When default occurs, oral and written communications are to be sent to the borrower to regularise their accounts within a specified period. In case the assistance is secured by a guarantee (personal or corporate), steps shall be taken to recover dues from the guarantor. ISFC shall use any of the following broad methods for management of problem accounts:

- Restructuring and rehabilitation in deserving cases
- Settlements / compromise /One Time Settlement where chances of entire recovery are remote/time consuming
- Exit options
- Legal Action & recovery
- Write-off
- Sale of NPA /W-off assets to ARCs

Early Warning System (EWS)

ISFC will follow the EWS for early identification of problem loans to take corrective measures before the position becomes irretrievable and to minimize the risk of loss.

- Quick Mortality
- Bounce Ratio
- Fraud Cases**

** Fraud cases should be brought to the notice of Risk Management Committee immediately on the next RMC meeting.

Asset Classification

ISFC categorizes its loans into Secured and Unsecured. Thereafter, these loans are classified into Stage 1, Stage 2, Stage 3, as described below.

S.No	Classification	DPD	Remarks
1	Stage-1	0-30	These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e., exposures with no overdue) and exposure up to 30 DPD (days past due) fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months. Stage 1 loans also include facilities where the credit

			risk has improved and the loan has been reclassified from Stage 2 or Stage 3.
2	Stage-2	31-90	Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days and up to 90 days (31DPD to 90 DPD) at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
3	Stage-3	90+	All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage.

ISFC is required to classify 90+ non-performing assets further into the following three categories based on the period for which the asset has remained nonperforming and the reliability of the dues:

- Sub-standard Assets
- Doubtful Assets
- Loss Assets

Sub-standard Assets:

A sub-standard asset would be one, which has remained NPA for a period less than or equal to 12 months.

Doubtful Assets:

An asset would be classified as doubtful if it has remained in the sub-standard category for a period of 12 months.

Loss Assets:

A loss asset is one where loss has been identified by ISFC or internal or external auditors or the RBI inspection, but the amount has not been written off wholly. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value. There would be a provision of 100% for loss assets.

Provisioning norms

ISFC will follow the provisioning norms for all delinquent cases laid down by RBI from time to time.

Valuation of NPA secured assets

Valuation of all NPA secured assets >10Lacs by ISFC will be carried out as per law and in a fair and transparent manner.

- Valuation of mortgage immovable property to be carried out immediately on day one for Fraud Identification cases
- Quick mortality cases 90+ DPD (One Month)
- Others – 90+ (within 90 days)
- The appraisal must be done by ISFC approved appraiser and must be based on site inspection or recent sale compares. (Where O/s Balance is Rs.10.00 Lacs & above needs to be done by approved valuator & In Case of NPA's where O/s Balance is below Rs.10.00 Lacs Branch Manager will assess the value of the security.)

Write off Policy and Process: -

- ISFC considers for Write off from the books if any delinquent accounts are >541 DPD for secured Loan and >180 DPD for Unsecured loans OR
- Customer Dead and limited payment capacity of legal heir.
- Skip customer and not traceable
- Permanent Closure of school
- No Intentions to pay and limited legal hold on customer.
- Where follow-up costs may be higher than recoverable dues.

Restructuring Loans:

Restructuring Loans, Asset classification and provisioning norms will be followed as per RBI norms from time to time.

Settlement/Compromise and Loan closures:

Collections will offer settlements/payment-plans to customers on a case-to-case basis.

Compromise settlement refers to a negotiated settlement where a borrower offers to pay and ISFC agrees to accept in full and final settlement of its dues an amount less than the total amount due to them under the relative loan contract. Settlement invariably involves a certain sacrifice by way of write off and/or waiver of a portion of its dues on a one-time basis. All settlement / compromise decisions would be approved by the designated approval authorities as per the Approved Delegation of Authority matrix of ISFC.

Wilful Defaulters

As per the scheme framed by RBI, banks/FIs are required to submit the list of suits filed accounts of wilful defaulters of Rs.25 lac and above as at end of every quarter.

Wilful defaults broadly cover the following:

- Deliberate non-payment of the dues despite adequate cash flow and good net worth
- Siphoning off of funds to the detriment of the defaulting unit
- Assets financed either not been purchased or been sold and proceeds have mis-utilised;
- Misrepresentation/falsification of records;
- Disposal/removal of securities without ISFC's knowledge;
- Fraudulent transactions by the borrower.

Cash Collection Limit:

Income tax act section 259ST imposed restriction on a cash transaction and limited it to Rs.2L per day. No person shall receive an amount of Rs.2L or more in aggregate from a person in a day or single transaction or transactions relating to one event or occasion from a person.

Filing of Mortgage Records with Central Registry:

ISFC shall file and register records of equitable mortgages created in its favor on or after March 31, 2011, with the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI). All types of mortgages, including those involving immovable, movable, and intangible assets, shall be registered with CERSAI as per the RBI's guidelines.

ISFC shall comply with the provisions of the circular "Filing of Security Interest relating to Immovable (other than equitable mortgage), Movable and Intangible Assets in CERSAI" dated December 27, 2018, as amended from time to time.

Submission of Credit Information

ISFC shall maintain membership with all registered Credit Information Companies (CICs) and submit required credit information, including historical data. Data will be submitted monthly until December 31,

2024. From January 1, 2025, updates will be submitted fortnightly (as of the 15th and last day of each month) within seven days of the reporting date. ISFC will ensure that submitted data is accurate, updated, and complete, adhering to regulatory standards. Customers will be informed that their credit information is reported to CICs, impacting their credit standing.

Code Of Conduct

The policy on collection outlines minimum requirements that need to be adhered by ISFC authorized representative when contacting a customer for due payments. Besides ISFC, other Third-Party Vendors may also contact Customers on behalf of ISFC. The code is a mandatory requirement for all individuals/persons/vendors/ entities who contact the Customer(s) on behalf of ISFC.

It is imperative that all persons involved in collection related activities follow this policy. All concerned personnel must strictly agree to abide by this policy described below prior to beginning collection activities with respect to the Customers. This policy applies to all employees of ISFC including affiliates and employees/Collection agents of companies that may be retained to collect debts on behalf of ISFC.

The following are the core underpinnings of the collection process.

1. The customer would 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.
2. Collections Representatives should always identify themselves and the company/entity that they represent at the very beginning of every interaction with customers and the Customers must be informed that the call is being recorded.
3. Customers deserve to be treated with dignity. Collections Representatives should always remain professional during telephone conversations and visits. No written or verbal threats, abuse or rudeness is permitted. Collections Representative should use only acceptable business language, even if the other party does not.
4. All calls being made to the Customer(s) must be recorded as per requirements of the Code of Conduct stipulated by the Reserve Bank of India.
5. Customers are entitled to privacy. Privacy policies apply to all conversations with third parties, as stipulated in this document. A customer is to be contacted for debt collection only when not contacting the Customer may lead to the imposition of an additional cost on the customer or may impact the customer's credit history/rating. When the customer has not paid on payment date (including grace days) and this is likely to impact the customer's credit history and/or is likely to cause a financial loss to ISFC.
6. 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 letters and other communication must be in the format approved by legal Head.
- 7.. Customers should be called only between 0700 Hrs and 1900 Hrs unless exceptional circumstances described in this Code warrant deviation from this timeframe. Under no circumstances, customer can be called beyond 2100hrs.
8. Customer 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 customers should be asked to provide an alternate address/phone number where they may be reached.
9. Calls must first be placed to the customer. In the event the customer is not available, a message may be left for the customer to an adult family member. The aim of the message should be to get the customer to return the call.

10. Collections can disclose the loan obligations only to the customer, co-borrower or the co-guarantor. For these loans, even if the customer has not responded to a prior message, it is not allowed to indicate that the call pertains to the loan obligation of the customer or to state the customer is overdue on his loan account or to state or indicate the amount due or request the customer to make a payment.

11. Customer's questions should be answered in full. They should be provided with information requested, given assistance and issues resolved. Accounts with unresolved issues are to be escalated.

12. Collections Representative may communicate with third parties to obtain customer's location information - home address, business address, home phone number and workplace phone number. This may be done when the customer's present location is either unknown or uncertain or the customer is not contactable or a skip. While obtaining such information the Collections Representative must clearly identify himself/herself. In specific cases where it may be difficult to obtain information from third parties regarding customer's whereabouts by identifying the organization along with the name, the Collections Representative may choose not to mention the organization name while identifying himself/herself, unless specifically asked for the same.

13. If the customer has provided a financial guarantee from a third party, the third party may be called and the customer's obligations may be discussed. In such a situation, the guarantor may be treated as the borrower. Further, if the customer is deeply delinquent (more than or equal to 2 months behind on his/her repayment) or non-contactable or a skip, then customer's debt/obligation may be discussed with references provided.

14. Customer or third-party requests for supervisor names or requests to speak with supervisor should always be honoured.

15. Collections Representative should respect personal space, maintain adequate distance, not to unnecessarily call the Customer prior to or subsequent to the visit to the Customers' residence from an individual mobile phone unless the said call is necessitated for checking on the availability of the Customers or for directions to the location of the Customers' residence or for follow up to the visit to the Customers' residence.

16.- Not enter the customer's residence against his/her wishes or when they are told the customer is not at home.

17. Not restrict the customer's movement or restrain him/her from entering or leaving the house/room.

18. Not remain in the customer's house if he/she were to leave for any reason including to collect money from a bank/elsewhere.

19. Respect the customer's privacy and do not embarrass the customer in the presence of his/her neighbours.

20. Not make visits at the customer's residence if the customer expressly forbids in writing such visits and provides suitable alternate address where he/she is connectable during collections working hours.

21. Not to make visits at the customer's residence if customer's family member is gravely ill and a social engagement is in progress. If the customer is not present and only minors/elderly / infirm are present at the time of the visit, the Collections Representative should end the visit with a request that the customer call back. He should not enter the house unless invited. He should not wait for the customer in the customer's residence unless specifically asked to do so by the customer or family.

22. Collections Representative should not Offer to assist the customer by driving him/her to the bank/any other spot from where money to repay the debt can be collected. CR should not have any discussions of a personal nature with the customer and must maintain a professional distance. Restrict conversation to the debt owed and the customer's proposed repayment plan.

23. Collections Representative should not collect sums in excess of total debt of the customer, threaten to take extra judicial action (e.g., physical threat or any unlawful action) to expropriate and dispose of

customer assets when no such right exists and apply payments to other accounts than those indicated by the customer.

24. If the customer declines to pay, the consequences of such a decision may be explained to him/her. CR should explain Impact on credit history, Possible inclusion in negative list, Possible legal action and its impact, Cost of defending legal action, if such action is contemplated.

25. ISFC will document the efforts made for the recovery of dues and the copies of communication set to customers, if any, will be kept on record.