VRIDHI FINSERV HOME FINANCE LIMITED (VFHFL)

Guidelines on Code of Conduct for Direct Selling Agents (DSA)/Direct Marketing Agents (DMA)

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1. Preamble

As part of the best corporate practices, Vridhi Finserv Home Finance Limited ('Company' or 'VFHFL') has adopted these 'Guidelines on Code of Conduct for Direct Selling Agents (DSA)/ Direct Marketing Agents (DMA)' (referred to as 'Guidelines' or 'Code') in respect of DSAs/ DMAs operating as its agents. These Guidelines are built around dignity and respect for the customer and are in line with the Model Code of Conduct provided in Para A.11 and Annex III of the Reserve Bank of India (Housing Finance Companies) Directions, 2025 and Para 101A OF Chapter IIIA (Advertising, Marketing and Sale of Financial Products/ Services by NBFCs) of the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, as amended from time to time. The Company shall ensure that DSAs/ DMAs of VFHFL and their sub-agents act in accordance with the laid down policies and procedures as set out in this Code.

This Code forms part of, and shall be read along with, the Policy on Advertising, Marketing and Sale of Financial Products and Services of VFHFL approved by the Board of Directors. In case of any inconsistency between this Code and the directions issued by the Reserve Bank of India, the directions of the Reserve Bank of India shall prevail.

2. Applicability

This Code shall apply to every person/ legal entity,, engaged by VFHFL to sell or market/ promote/ influence customers for purchase of its own or third-party financial products or services, irrespective of the designation or nomenclature used in the agreement (such as DSA, DMA, Loan Service Provider, connector, referral partner, etc.), and to the sub-agents engaged by such DSA/ DMA. Where an individual is directly engaged by VFHFL under an outsourcing arrangement for selling/ marketing related activities, the provisions of this Code applicable to DSA/ DMA as well as to sub-agents shall apply to such an individual.

This Code shall also apply to the employees of VFHFL engaged in sale/ marketing of financial products/ services and to the representatives of any third-party product/ service provider (TPPS Provider) deployed for sale/ marketing in the premises of VFHFL, to the extent relevant to them.

Upon adoption and inclusion as part of the agreement between VFHFL and the DSA/ DMA, this Code will be binding on the DSA/ DMA and its sub-agents. The DSA/ DMA shall give an undertaking to VFHFL in the format given at **Annex-1**, that it and its sub-agents agree to abide by this Code, before any sale/ marketing activity is assigned to it. The DSA/ DMA shall obtain an undertaking in the format given at **Annex-1A** from each of its sub-agents before assigning them duties and shall submit a copy of the same to VFHFL. VFHFL shall obtain a similar undertaking (Annex-1A) from its own employees and from the representatives of TPPS Providers to whom this Code applies.

Any DSA/ DMA/sub-agent/employee/representative of TPPS found to be violating this Code shall be liable to penal action as provided in para 25 of this Code, which may extend to termination of the agreement and permanent blacklisting. This Code shall be displayed on the website of VFHFL for reference by members of the public.

3. Definitions

For the purpose of this Code:

a) "DSA/ DMA" means an entity or individual (other than an employee of VFHFL) engaged by VFHFL, irrespective of the contractual designation/ nomenclature used for such engagement (such as Loan Service Provider (LSP), etc.), to sell or market/ promote/ influence customers for purchase of its own or third-party product/ service;
b) "Sub-agent" means an individual engaged by a DSA/ DMA, who is involved in selling/ marketing related activities on behalf of VFHFL at the point of customer interface. References in this Code to employees/ representatives of DSA/ DMA shall mean and include sub-agents;
c) "Explicit consent" means a specific, informed and unambiguous indication of the customer's choice, given through a duly recorded/ documented statement or clear affirmative action, which indicates agreement to a specific action by or arrangement with VFHFL;
d) "Mis-selling" means sale of a financial product/ service, whether own or third-party, (i) which is neither suitable nor appropriate in view of the customer's profile evaluated at the time of sale, notwithstanding her/ his explicit consent; or (ii) without providing correct or complete information or by giving misleading information; or (iii) without the customer's explicit consent; or (iv) with compulsory bundling of another product/ service; or (v) involving any other element defined as mis-selling by the financial sector regulator concerned;
e) "Compulsory bundling" means making availment of one product/ service by a customer conditional upon availment of another product/ service, whether own or third-party, offered by VFHFL;
f) "Dark pattern" means any practice or deceptive design pattern using user interface or user experience interactions on any platform that is designed to mislead or trick users to do something they originally did not intend or want to do, by subverting or impairing the consumer autonomy, decision making or choice;
g) "Third-party Product or Service (TPPS)" means a product or service, such as insurance, offered by VFHFL to its customers on behalf of a third-party product/ service provider (TPPS Provider) under an agency business or referral arrangement.

Words and expressions used but not defined in this Code shall have the same meaning as assigned to them in the directions of the Reserve Bank of India referred to in para 1 above.

4. Tele-calling a Prospect (a prospective customer)

4.1 Unsolicited Commercial Communications - National Do Not Call Registry (NCND)

VFHFL shall –

a) not engage Telemarketers (DSAs/ DMAs) who do not have any valid registration certificate from Department of Telecommunication (DoT), Government of India, as telemarketers; VFHFL shall engage only those telemarketers who are registered in terms of the guidelines issued by TRAI, from time to time, for all their promotional/ telemarketing activities.
b) furnish the list of Telemarketers (DSAs/ DMAs) engaged by them along with the registered telephone numbers being used by them for making telemarketing calls to TRAI; and
c) ensure that all agents presently engaged by the Company register themselves with DoT as telemarketers.

4.2 A prospect is to be contacted for sourcing of VFHFL product/ service or VFHFL related product/ service only under the following circumstances:

a) When a prospect has expressed desire to acquire any loan or other financial product or services through

the VFHFL website/ call centre/ branch or through the Relationship Manager at the VFHFL or has been referred to by another prospect/ customer or is an existing customer of the VFHFL who has given explicit consent in writing or digitally for accepting calls on other products/ services of the VFHFL.

b) When the prospect's name/ telephone number/ address is available and obtained after taking his/ her explicit consent in writing/ digitally on a separate document.

c) In line with the circular no. RBI/2024-25/105 CEPD.CO.OBD.No.S1270/50-01-001/2024-25 dated January 17, 2025 issued by the RBI, the DSA/DMA shall undertake promotional voice calls only through phone numbers using '140xx' numbering series;

4.3 DSA/ DMA or/ and its employees/ representatives should not call a person whose name/ number is flagged in any "Do Not Disturb" list

4.4 Promotional communication/ alerts about offers on VFHFL's own or third-party products/ services shall be sent to a prospect/ customer only if he/ she has given explicit consent to receive such communication. Every such communication shall carry a simple option to unsubscribe and any request to unsubscribe shall be passed on to VFHFL within 2 working days.

5. When you may contact a prospect on telephone

a) DSA/ DMAs must introduce themselves and before calling must share their contact details through message or any other written mode including his/ her name, contact number, DS A/ DM A they are employed with and the Company they are representing and take consent for contacting.

b) Telephonic contact must normally be between 09:30 hours and 19:00 hours. However, it may be ensured that a prospect is contacted only when the call is not expected to inconvenience him/ her.

c) Calls earlier or later than the prescribed time period may be placed only when the prospect has expressly authorized the DSA/ DMA or its sub-agents to do so either in writing or orally, and such authorisation shall be recorded.

d) No visit shall be made to the prospect's/ customer's residence/ business/ office without his/ her explicit consent. Where such consent has been obtained, the visit must normally be limited to between 09:30 hours and 19:00 hours. A visit earlier or later than the prescribed time period may be made only when the prospect has expressly authorized the DSA/ DMA or its sub-agents to do so either in writing or orally, and such authorisation shall be recorded.

6. Respect prospect's privacy

DSA/ DMA or/ and its employees/ representatives should respect a prospect's privacy and his/ her interest may normally be discussed only with the prospect and with any other individual/ family member such as prospect's accountant/ secretary/ spouse only when authorized to do so by the prospect. Details of the prospect/ customer shall not be shared with any other person unless the prospect/ customer has given an explicit request or consent for sharing such information.

7. Leaving messages and contacting persons other than the prospect

Calls must first be placed to the prospect. If the prospect is not available, a message may be left for him/ her. The aim of the message should be to get the prospect to return the call or to check for a convenient time to call again. Ordinarily, such messages may be restricted to –

"Please leave a message that XXXXXX (name of officer) representing VFHFL called and requested to call back at ZZZZZZ (phone number)". As a rule, the message must indicate that the purpose of the call is regarding selling or distributing a product of VFHFL.

8. No misleading statements/misrepresentations permitted

DSA/DMA or/and its employees/representative shall not:

a) Mislead the prospect on any product/ service offered by VFHFL;
b) Mislead the prospect about their business or organization's name or falsely represent themselves as VFHFL's employee;
c) Make any false/ unauthorized commitment on behalf of VFHFL for any facility/ loan/ service;
d) Mislead or coerce the prospect/ customer in purchase of any product/ service offered by VFHFL;
e) Advertise or represent any third-party product/ service as a product of VFHFL; or
f) Represent to the prospect/ customer that purchase of insurance or any other product/ service is compulsory for availing a loan from VFHFL.

9. Disclosures to the prospect/ customer

While marketing/ selling any product/ service of VFHFL, the DSA/ DMA and its sub-agents shall:

a) make upfront disclosure regarding the interest rate, processing fees and other fees/ charges applicable to the product/ service;
b) communicate the terms and conditions of the product/ service, including the Key Facts Statement (KFS)/ Most Important Terms and Conditions (MITC), to the prospect/ customer if he/ she plans to buy the product/ service, and make available such other information/ details as are required to understand the product/ service further;
c) where the details of any TPPS Provider are given, clearly inform the prospect/ customer that the product belongs to the TPPS Provider and that VFHFL is acting only as an agent/ referrer;
d) provide the contact details of the customer care and the Grievance Redressal Officer of VFHFL, if requested by the prospect/ customer; and
e) use only the product brochures, rate cards, presentations and other material issued or approved by VFHFL.

10. Customer consent and sale of products

The DSA/ DMA and its sub-agents shall ensure that:

a) no product/ service, whether of VFHFL or of a third party, is offered or sold to a customer without his/ her explicit consent. Consent shall be obtained only through the modes specified by VFHFL, i.e. signed declaration (physical or electronic), OTP based approval, digitally recorded confirmation or a clearly demarcated section of the application form/ agreement;
b) they do not tick, fill, sign or give consent on behalf of the customer, do not obtain blank signed forms and do not ask for, share or use any OTP received by the customer;
c) where an application form contains more than one product/ service, each product/ service is explained separately and the customer is allowed to choose only the product(s)/ service(s) he/ she desires;
d) the information regarding the customer's age, income, occupation, existing obligations and other details required by VFHFL for assessing the suitability and appropriateness of the product/ service is collected and passed on to VFHFL correctly and completely, without any alteration;
e) no third-party product/ service is bundled compulsorily with the loan. Where VFHFL requires any insurance as a risk mitigant, the customer shall be informed that he/ she is free to buy the same from any

insurer of his/ her choice;

f) the customer is not induced to fund the purchase of any product/ service out of the loan sanctioned to him/ her, and any such funding is done only with the explicit consent of the customer obtained by VFHFL; and

g) they do not solicit or sell insurance or any other third-party product/ service unless specifically authorised by VFHFL in writing and unless they hold the qualification/ certification, if any, prescribed by the financial sector regulator concerned.

11. Telemarketing Etiquettes

PRE-CALL

a) No calls prior to 09:30 hours or post 19:00 hours unless specifically requested;

b) No serial calling;

c) No calling on lists unless the list is cleared by the DSA/ DMA leader.

DURING CALL

a) Identify yourself, your company and your principal;

b) Request permission to proceed;

c) If denied permission, apologize and politely disconnect;

d) State reason for your call;

e) Always offer to call back on landline, if call is made to a cell number;

f) Never interrupt or argue;

g) To the extent possible, talk in the language which is most comfortable to the prospect/ customer;

h) Keep the conversation limited to business matters;

i) Disclose upfront the interest rate, fees/ charges and other key features of the product and check for understanding of the Key Facts Statement (KFS)/ "Most Important Terms and Conditions" by the prospect/ customer if he/ she plans to buy the product;

j) Reconfirm next call or next visit details;

k) Provide your telephone no, your supervisor's name or the VFHFL's officer contact details if asked for by the prospect/customer;

l) Thank the prospect/ customer for his/ her time.

POST CALL

a) Prospects/ customers who have expressed their lack of interest for the offerings should not be called for the next 3 months with the same offer;

b) Provide details to VFHFL, within 2 working days, of prospects/ customers who have expressed their desire to be flagged "Do Not Disturb" and not call them thereafter;

c) Never call or entertain calls from customers regarding products already sold. Advise them to contact the Customer Service Staff of VFHFL.

12. Gifts or Bribes

DSA/ DMA or/and its employees/representative will

a) not accept gifts or bribes of any kind from prospects/ customers. Further, if he/ she is offered a bribe or payment of any kind by the prospect/ customer, it must be reported to his/ her management.

b) not offer any gifts/ gratitude in cash or in kind to the prospect/ customer to solicit business.

13. Precautions to be taken on visits/ contacts

DSA/DMA or/and its employees/representatives should:

a) respect personal space, maintain adequate distance from the prospect/ customer;
b) ensure that prospect/ customer is not visited within a period of 3 months of expression of lack of interest for the offering by him/ her.
c) not visit the prospect's/ customer's residence/ business/ office without his/ her explicit consent and not enter the same against his/ her wishes;
d) prospect's/ customer's residence/ business is visited by not more than one employees/ representative of DSA/ DMA and one supervisor, if required;
e) respect the prospect's privacy;
f) end the visit with a request for the prospect to call back, if the prospect/customer is not present and only family members/office persons are present at the time of the visit;
g) provide his/ her telephone number, name of the supervisor or the concerned VFHFL officer's contact details, if asked for by the prospect/ customer; and
h) limit discussions with the prospect to the business and maintain a professional distance.

14. Appearance, Dress Code and Identification

DSA/ DMA or/ and its employees/ representative must be in proper formal attire while meeting up with prospect/ customer.

Every sub-agent of DSA/ DMA, and every representative of a TPPS Provider present in the premises of VFHFL for sale/ marketing, shall wear a clearly visible identity card issued by the DSA/ DMA/ TPPS Provider showing his/ her name, photograph and the name of the organisation he/ she represents, in a format approved by VFHFL. The identity card shall be clearly distinguishable from the identity cards of VFHFL employees and shall state that the holder is not an employee of VFHFL.

15. Handling of letters and other communication

Any communication sent to the prospect/ customer, whether physical or through SMS, e-mail, WhatsApp, social media or any other mode, shall only be in the mode and format approved by VFHFL. The DSA/ DMA and its sub-agents shall not design, print or publish any advertisement, pamphlet, social media post or other promotional material relating to VFHFL's products without prior written approval of VFHFL. All such material shall be clear and factual and shall disclose the interest rate and fees/ charges associated with the product.

16. Digital platforms and dark patterns

Where the DSA/ DMA uses any website, mobile application, lead capture form or other digital interface for sourcing customers for VFHFL, it shall ensure that:

a) the interface does not deploy any dark pattern, including false urgency, basket sneaking, confirm shaming, forced action, subscription trap, interface interference, bait and switch, drip pricing, disguised advertisement, nagging and trick wording, as illustrated in the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025;
b) the default choice for any consent is 'No'/ 'I do not agree' and consent cannot be given without the customer going through the applicable terms and conditions;
c) access to personal data such as contact list, camera, location, etc. is not sought unless it is required for

the service and the same is transparently disclosed to the customer;

d) the interface is made available to VFHFL for user testing before launch and for periodic audit thereafter; and
e) it complies with the Guidelines for Prevention and Regulation of Dark Patterns, 2023 issued by the Central Consumer Protection Authority, as amended from time to time.

17. Eligibility Criteria for DSA/ DMA and Sub-agents

VFHFL shall engage a DSA/ DMA only if it meets the following eligibility criteria:

a) in case of an individual, he/ she should be at least 18 years of age, should have passed at least [10+2] or have relevant experience as approved by the Head – Distribution, and should have valid KYC documents;
b) in case of a corporate entity (proprietorship/ partnership/ LLP/ company), the Partnership Deed, Memorandum of Association or any other document evidencing the constitution of the entity shall contain as one of its main objects soliciting or procuring DSA business, and the entity shall have adequate office infrastructure, staff and controls for data security and record keeping;
c) the individual, or the proprietor/ partners/ directors of the entity, should not have been convicted of any offence involving fraud or moral turpitude, should not have any criminal proceedings pending against them and should not have been blacklisted/ debarred by VFHFL or any other bank/ NBFC/ HFC, to the extent such information is available;
d) the DSA/ DMA should hold a valid registration with DoT/ TRAI as telemarketer, if it undertakes tele-calling;
e) the DSA/ DMA and its sub-agents should possess the qualification/ certification, if any, prescribed by the financial sector regulator concerned for the product/ service they deal with; and
f) the DSA/ DMA should not be a relative of any employee of VFHFL involved in empanelment, sanction or monitoring of DSAs/ DMAs, unless such relationship is disclosed and specifically approved.

The DSA/ DMA shall ensure that each of its sub-agents meets the criteria at (a), (c) and (e) above.

18. Empanelment of DSA/ DMA and Due Diligence

DSA/ DMA seeking engagement/ empanelment with VFHFL shall submit the application for empanelment in the illustrative format given at **Annex-2**.

Any appointment/empanellment of any DSA/DMA shall be as per the Outsourcing Policy adopted by VFHFL. Before empanelment, the Distribution Department shall carry out due diligence on the applicant, which shall, inter alia, include verification of KYC and other documents, physical/ video verification of the place of business, reference checks, review of credit report and bank statements, check for any adverse/ negative information and assessment of any conflict of interest. Empanelment shall be approved by the Head – Distribution in consultation with the Compliance Department and recorded in the database of DSAs/ DMAs.

Post engagement, VFHFL shall review each DSA/ DMA at least once a year (once in six months in case of High risk DSAs/ DMAs) covering its financial and operational condition, continued eligibility, complaints received, instances of mis-selling, inspection observations, data security and business continuity. The DSA/ DMA shall furnish to VFHFL the list of its sub-agents every quarter and shall inform VFHFL of any addition/ deletion within 7 days.

19. Functions that may be assigned to DSA/ DMA

VFHFL may assign only the following functions to a DSA/ DMA:

a) identifying and contacting prospects in accordance with this Code;

b) explaining the features of VFHFL's products using the material approved by VFHFL;
c) assisting the prospect in filling the application form and collecting the documents required for processing, for verification by VFHFL; and
d) sharing leads with VFHFL in the format given at **Annex-3**.

The DSA/ DMA and its sub-agents shall not:

a) take or communicate any credit decision, or make any commitment regarding sanction, interest rate or charges other than as approved by VFHFL;
b) collect cash or any payment from the customer, or collect post-dated cheques/ blank signed documents except as specified by VFHFL in writing;
c) undertake collection/ recovery of dues unless separately engaged as a Recovery Agent in terms of the applicable RBI directions;
d) solicit or sell insurance or any other third-party product/ service except as provided in para 10(g); and
e) sub-contract any activity to any person other than its sub-agents whose details have been furnished to VFHFL.
f) Carry out any core activity of VFHFL such as credit sanction, decision making w.r.t KYC of customers etc

20. Outsourcing Agreement

The terms and conditions governing the contract between VFHFL, and the service provider should be carefully defined in written agreements and vetted by VFHFL's Chief Compliance Officer on their legal effect and enforceability. Every such agreement should address the risks and risk mitigation strategies. The agreement should be sufficiently flexible to allow VFHFL to retain an appropriate level of control over the outsourcing and the right to intervene with appropriate measures to meet legal and regulatory obligations. The agreement should also bring out the nature of the legal relationship between the parties – i.e., whether the agent, principal or otherwise. Some of the key provisions of the contract should be the following:

a) The contract should clearly define what activities are going to be outsourced including appropriate service and performance standards;
b) VFHFL must ensure it has the ability to access all books, records and information relevant to the outsourced activity available with the service provider;
c) The contract should provide for continuous monitoring and assessment by VFHFL of the service provider so that any necessary corrective measure can be taken immediately;
d) A termination clause and minimum period to execute a termination provision, if deemed necessary, should be included;
e) Controls to ensure customer data confidentiality and service providers liability in case of breach of security and leakage of confidential customer related information should be incorporated;
f) There must be contingency plans to ensure business continuity;
g) The contract should provide for the prohibition of further outsourcing by the service provider for all or part of an outsourced activity. Engagement of sub-agents by the DSA/ DMA shall be permitted only with the prior approval/ consent of VFHFL;
h) It should provide VFHFL with the right to conduct audits on the service provider whether by its internal or external auditors, or by agents appointed to act on its behalf and to obtain copies of any audit or review reports and findings made on the service provider in conjunction with the services performed for VFHFL;
i) Outsourcing agreements should include clauses to recognise the right of the RBI/ National Housing Bank or persons authorised by them to access VFHFL documents, records of transactions, and other necessary information given to, stored or processed by the service provider within a reasonable time;
j) Outsourcing agreement should also include a clause to recognise the right of the National Housing Bank, to cause an inspection to be made of a service provider of an HFC and its books and account by one or more of its officers or employees or other persons
k) The outsourcing agreement should also provide that confidentiality of customer's information should be

maintained even after the contract expires or gets terminated.

l) The outsourcing agreement should provide for the preservation of documents and data by the service provider in accordance with the legal/ regulatory obligation of VFHFL in this regard;

m) The agreement shall incorporate this Code and the undertaking given by the DSA/ DMA, and shall clearly provide for the penal/ disciplinary action that may be taken in case the DSA/ DMA and/ or its sub-agents are found to be in violation of this Code;

n) The agreement shall provide for withholding/ recovery of payouts on cases where mis-selling is established and for recovery from the DSA/ DMA of any refund/ compensation paid by VFHFL to the customer on account of mis-selling by the DSA/ DMA or its sub-agents and where the mis-selling relates to a TPPS, the Company shall coordinate with the relevant TPPS Provider, wherever necessary, to facilitate timely refund, cancellation and customer remediation and shall maintain appropriate records of mis-selling complaints, investigation, decision, refund, cancellation and compensation provided; and

o) The agreement shall specify the products/ services the DSA/ DMA will deal with, the period of engagement and the area of operation.

21. Termination of Agreement

A termination clause and minimum period to execute a termination provision should be included. The agreement shall automatically be terminated, unless renewed by a fresh contract by VFHFL, immediately after the expiry of the period of the agreement. No DSA/ DMA shall be allowed to do any fresh business on behalf of VFHFL after termination of agreement until and unless it is renewed by a fresh agreement.

On termination/ expiry of the agreement, the name of the DSA/ DMA shall be removed from the list displayed on the website of VFHFL within 7 calendar days, and the termination shall be publicised so that customers do not continue to deal with such DSA/ DMA.

22. Training to DSA/ DMA and its sub-agents

No DSA/ DMA or sub-agent shall deal with customers on behalf of VFHFL unless trained. Where DSA/ DMA is seeking engagement/ empanelment with VFHFL, it and each of its sub-agents will have to go through a two-day preliminary training before commencing work and a one-day refresher training every year, which shall be organised by VFHFL. Additional training shall be provided whenever there is a change in the products or in the applicable regulations.

The training shall, inter alia, cover the features of VFHFL's products, this Code, Fair Practices Code, disclosure of interest rate and charges, Key Facts Statement, explicit consent, suitability, mis-selling, compulsory bundling, dark patterns, Do Not Disturb and telemarketing regulations, confidentiality of customer data and grievance redressal. At the end of the training, an assessment shall be conducted and a sub-agent who does not clear it shall be retrained before being permitted to deal with customers. VFHFL shall maintain records of the training provided, including the date, content, trainer and assessment result for each person.

23. Maintenance of Database and Display of List of DSAs/ DMAs

VFHFL availing the services of DSA/DMA shall maintain up-to-date database of DSAs/ DMAs engaged/ empanelled with it. VFHFL shall keep the inspection report of the inspection conducted in terms of the provisions of the agreement entered into with the DSA/DMA, and action taken report (ATR) thereon.

VFHFL shall maintain and display on its website an up-to-date list of DSAs/ DMAs empanelled/ engaged with it, for reference by members of the public. The list shall include the name of the DSA/ DMA, type (corporate/

individual), address, period of engagement and the products/ services it deals with. The list shall be updated within seven calendar days of any modification, including empanelment of a new DSA/ DMA, termination/ suspension of an existing DSA/ DMA or change in the products/ services dealt with. The Distribution Department shall be responsible for updating the list and the Compliance Department shall verify the same every month.

24. Performance Evaluation, Inspection and Audit

The performance of each DSA/ DMA shall be evaluated every quarter not only on the volume of business but also on quality parameters such as number of customer complaints, instances of mis-selling established, feedback received from customers during welcome/ feedback calls, documentation and KYC errors, early foreclosures/ cancellations and inspection observations. Where the performance on quality parameters is not satisfactory, VFHFL may withhold or reduce the payout and take such other action as provided in this Code.

VFHFL shall conduct inspection of each DSA/ DMA at least once a year (once in six months in case of High risk DSAs/ DMAs) through the Distribution Department or Internal Audit. The inspection may include mystery shopping, review of records, review of complaints and review of digital interfaces used by the DSA/ DMA. The inspection report and action taken report (ATR) thereon shall be kept on record.

VFHFL shall have the following control mechanisms in place: payouts only by credit to the bank account of the DSA/ DMA; capture of customer consent by VFHFL directly through OTP/ recorded call/ signed declaration; welcome/ feedback call to customers by the Customer Service team; access to customer data on a need-to-know basis; suppression of Do Not Disturb numbers; and tagging of every lead/ file to the DSA/ DMA and sub-agent who sourced it.

25. Penal Action for Non-compliance

Any violation of this Code by the DSA/ DMA or its sub-agents shall be dealt with as under, after giving the DSA/ DMA an opportunity to explain:

a) **Minor violations**, such as delay in reporting Do Not Disturb requests, use of outdated approved material or calls marginally outside the permitted hours: written warning and re-training of the sub-agent concerned. A repeat of a minor violation within 12 months shall be treated as a major violation;
b) **Major violations**, such as failure to disclose interest rate/ charges, use of unapproved material, visit without consent or repeated customer complaints: monetary penalty/ withholding of payout as per the agreement, suspension of the sub-agent or the DSA/ DMA for up to [90] days and recovery of payout on the cases concerned; and
c) **Critical violations**, such as mis-selling, forged consent/ signatures, coercion of the customer, impersonation as an employee of VFHFL, collection of cash, breach of customer data or fraud: immediate suspension, termination of the agreement, permanent blacklisting, recovery of any refund/ compensation paid to the customer and reporting to RBI/ NHB/ law enforcement agencies, as applicable.

Employees of VFHFL found violating this Code shall be dealt with under the disciplinary policy of VFHFL.

26. General

a) VFHFL should, at least on an annual basis, review the financial and operational conditions of the service provider to assess their ability to continue to meet their outsourcing obligations. Such due diligence reviews, which can be based on all available information about service providers, should highlight any deterioration or breach in performance standard, confidentiality and security, and in business continuity

preparedness.

b) VFHFL should have in place a management structure to monitor and control the outsourcing activities. It should ensure that outsourcing agreements with the service providers contain provisions to address their monitoring and control of outsource activities.

c) Regular audits by either the internal auditors or external auditors of VFHFL should assess the adequacy of the risk management practices adopted in overseeing and managing the outsourcing arrangement, VFHFL's compliance with its risk management framework and the requirements of these Guidelines.

d) In the event of termination of the agreement for any reason, this should be publicized so as to ensure that the customers do not continue to deal with such service provider.

e) VFHFL should constitute a Grievance Redressal Machinery within the company and give wide publicity about it through electronic and print media. The name and contact number of the designated Grievance Redressal Officer of the VFHFL should be made known and widely publicized. The designated officer should ensure that genuine grievances of customers are redressed promptly without involving delay. It should be clearly indicated that VFHFL Grievance Redressal Machinery will also deal with the issue relating to services provided by the outsourced agency.

f) Generally, a time limit of 30 days may be given to the customers for preferring the complaints/ grievances. A complaint regarding mis-selling of a product/ service may be lodged by the customer within the timeline specified by the financial sector regulator concerned or, where no such timeline has been specified, within 30 days of receiving the signed copy of the terms and conditions/ agreement. The grievance redressal procedure of VFHFL and the time frame fixed for responding to the complaints should be placed on the VFHFL's website.

g) No payment to DSAs/ DMAs shall be made in Cash. The fee, incentive etc. shall be made only by way of direct credit to their bank account. The payout structure shall not create any incentive for mis-selling and shall provide for recovery of payouts on cases where mis-selling is established.

h) VFHFL may prescribe the operational area for DSA/ DMA within which they can work.

i) The lead shall be shared by the DSA/ DMA in the illustrative format given at **Annex-3**.

j) By virtue of contract/ agreement, the DSA/ DMA or/ and its employees/ representatives may have access to personal and business information of VFHFL and/ or VFHFL's customer. DSA/ DMA shall ensure the preservation and protection of the security and confidentiality of the customer information or data which are in their custody or possession.

k) DSA/ DMA should acknowledge that he/ she/ it has read the said Code and has fully understood all the terms and conditions mentioned therein and declare that the DSA/ DMA shall agree to abide by the said Code in letter and spirit.

l) The DSA/ DMA shall report the fraud committed by erring employees/ representatives periodically to VFHFL and consolidated data/information on the same shall be submitted by VFHFL to the RBI and NHB. The information shall include the name of the person, address, name of the DSA associated with and nature of fraud. Such employees/ representatives shall be barred permanently from doing the business of DSA/ DMA in future with VFHFL.

m) In the event of receipt of any complaint from the customer that the VFHFL's representative or DSA/ DMA or its sub-agent has engaged in any improper conduct or acted in violation of this Code, steps shall be initiated to investigate and to handle the complaint. Where mis-selling is established, the customer shall be refunded and compensated in accordance with the Policy on Advertising, Marketing and Sale of Financial Products and Services of VFHFL, and the amount may be recovered from the DSA/ DMA

concerned;

n) The DSA/ DMA shall forward to VFHFL, within 2 working days, any complaint received by it from a customer regarding a product/ service of VFHFL; and

o) This Code shall be reviewed at least once a year, or earlier in case of any change in the applicable regulations.

Change control record

Version No.	Change Request by	Memorandum of Change	Approval date
1.0	Compliance Department	-	28th September 2023
2.0	Compliance Department	-	29th March 2024
3.0	Distribution Department	-	5th February 2025
4.0	Distribution Department	-	9th March 2026
5.0	Distribution Department	-	11th November 2026

Annex-1

Declaration-Cum-Undertaking (to be given by the DSA/ DMA)

_____
_____
_____

Re: Code of Conduct

Dear Sir,

We, _____ (name of DSA/ DMA), having our office at _____, have been empanelled/ engaged by Vridhi Finserv Home Finance Limited (VFHFL) as a Direct Selling Agent (DSA)/ Direct Marketing Agent (DMA) for _____ (products/ services).

We confirm that we have read and understood the Guidelines on Code of Conduct for DSAs/ DMAs of VFHFL (the Code) and agree to abide by the Code in letter and spirit. We undertake that each of our sub-agents shall, before being assigned any sale/ marketing activity on behalf of VFHFL, be trained and give an undertaking in the format at Annex-1A, a copy of which shall be submitted to VFHFL. We shall furnish the list of our sub-agents to VFHFL and inform any change in the same within 7 days.

We further undertake that we and our sub-agents shall not offer or sell any product/ service without the explicit consent of the customer, shall not represent ourselves as employees of VFHFL and shall not use any material or digital interface not approved by VFHFL.

In case of any violation of the Code by us or any of our sub-agents, VFHFL shall be entitled to take penal/ disciplinary action as provided in the Code and the agreement, including withholding/ recovery of payouts, suspension, termination of the agreement and blacklisting. We shall also reimburse VFHFL any refund/ compensation paid to a customer on account of mis-selling by us or our sub-agents.

Signed on this_____ day of _____20_____

Signature of Authorised Signatory _____ Name _____ Designation _____

DSA/ DMA Code _____ Place _____ Seal (if applicable)

Annex-1A

Declaration-Cum-Undertaking (to be given by sub-agent of DSA/ DMA, employee of VFHFL or representative of TPPS Provider)

Re: Code of Conduct

Dear Sir,

I am working as _____ (designation) with _____ (name of DSA/ DMA/ VFHFL/ TPPS Provider). My job profile, inter-alia, includes offering, explaining, sourcing, and assisting documentation of products and linked services to prospects/ customers of Vridhi Finserv Home Finance Limited (VFHFL).

In the discharge of my duties, I am obligated to follow the Code of Conduct of VFHFL for sale and marketing of financial products/ services. I shall carry my identity card at all times while dealing with customers, shall not represent myself as an employee of VFHFL (unless I am one), shall not collect cash from customers and shall not fill, sign or give consent on behalf of any customer.

I confirm that I have read and understood and agree to abide by the Code of Conduct. I further confirm that the trainer mentioned below has explained the contents of the Code of Conduct in full to me.

In case of any violation, non-adherence to the said Code, you shall be entitled to take such action against me as you may deem appropriate.

Signed on this_____ day of _____20_____

Signature _____Name_____Agency_____

Signature of Trainer_____Name_____Company_____

Annex-2

APPLICATION FORM FOR EMPANELMENT OF DSA / DMA

To,
The Manager
Vridhi Finserv Home Finance Limited,

Sir/Madam,

Sub: APPLICATION FOR EMPANELMENT AS DIRECT SELLING AGENT (DSA)/ DIRECT MARKETING AGENT (DMA) WITH VRIDHI FINSERV HOME FINANCE LIMITED

I submit herewith my application for the empanelment as Direct Selling Agent (DSA)/ Direct Marketing Agent (DMA) for Vridhi Finserv Home Finance Limited. I have read the terms and conditions relating to the service and I undertake that those are acceptable to me.

1	Full name (in block letters)				
2	Father's/ Husband's name				
3	Constitution (Tick appropriate option)	Individual	Proprietorship	Partnership	Company
4	Date of birth incorporation (DD/MM/YYYY)				
5	Age		Years		Months
6	Address				
7	Mobile number				
8	Alternate contact number				
9	PAN card no				
10	Present occupation				
11	No. of years in employment				
12	Qualification				
13	Languages known				
14	Reference (name and contact number)	1.			

		2.

I declare that the statements in this application and the documents submitted (as per list given below) are true, complete, and correct to the best of my knowledge and belief. I declare that no criminal proceedings are pending against me and that I have not been blacklisted/ debarred by any bank/ NBFC/ HFC or regulator. I further declare that I am not related to any existing employee of Vridhi Finserv Home Finance Limited (VFHFL). I understand that in the event of any information/ document being found untrue/ incorrect at any stage, my application is liable to be rejected and if already empanelled, the empanelment is liable to be terminated.

Place: **Signature:**

Date: **Name:**

Documents to be submitted along with application:

a) Copy of PAN card;
b) Address proof (latest telephone/mobile bill, electricity bill, gas bill, passport or ration card);
c) Two recent passport size photographs (in addition to one affixed on application form);
d) Latest IT return/ Form 16;
e) Bank statement for last 6 months;
f) Enrolment letter, if enrolled with another bank/ FI for similar services;
g) In case of firm / company: Registration certificate of firm & Partnership deed/ Articles of Association of the company and incorporation certificate;
h) Copy of DoT/ TRAI telemarketer registration certificate, where tele-calling is to be undertaken;
i) Copy of qualification/ certification prescribed by the financial sector regulator, if any, for the products to be dealt with;
j) List of sub-agents proposed to be deployed, along with their KYC documents; and
k) Details of products/ services proposed to be dealt with and the proposed area of operation.

Annex-3

(Name of Loan Product) – CUSTOMER INFORMATION

Name of the Applicant/s :

Mobile Number :

Email ID :

Address :

Select which is applicable : Looking for property/ Property identified

Details of property, if identified :

Loan Amount :

Income Bracket (per annum) :
Up to ₹5 lakh
Above ₹5 lakh to ₹10 lakh
Above ₹10 lakh

Income Based on : Income Tax Return
Other (specify the same)

Prospect's consent to be contacted by VFHFL obtained : Yes/ No

Mode and date of consent :

DSA Code

Signature of DSA