



UC Inclusive Credit Private Limited (UCIC)

## **FAIR PRACTICE CODE**

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## UC INCLUSIVE CREDIT PRIVATE LIMITED

("UCIC" or the "Company")

### FAIR PRACTICE CODE

This has reference to Reserve Bank of India's circular RBI/201112/470DNBS.CC.PD.No.266/03.10.01/2011-12 dated March 26, 2012, and consolidated as of June 30, 2013, wherein the Reserve Bank of India reviewed and amended certain aspects of Guidelines on Fair Practices Code for Company issued earlier on September 28, 2006, and other Circulars issued by the Reserve Bank of India from time to time relating to fair practices to be adopted by Company.

#### A. Application of the Code

The Code applies to all products offered by the company. The Company will continue to evaluate multiple products to meet the financing requirements of its borrowers. The Code will continue to apply to any product that is developed and provided by the Company to its borrowers.

#### B. Objective of the Code

The Code has been developed with the following objectives:

1. Promote fair practices by setting minimum standards in dealing with borrowers
2. Increase transparency through requisite disclosures by the Company as may be relevant to the borrower and as prescribed by the Reserve Bank of India (RBI) from time to time.
3. Foster borrower confidence in the Company

The Company shall help the borrowers understand how the financial products and services work by:

1. Giving verbal information about the financial schemes in English and/or any other language as understood by the borrower
2. Ensuring that the Company's marketing materials are clear and not misleading
3. Explaining financial implications of the transactions
4. Helping the borrower to choose the financial scheme

#### C. Non-Discrimination Policy

The Company shall not discriminate amongst its borrowers or their representatives on the basis of gender, race or religion.

#### D. Applications for loans and their processing

1. All communication to the borrower shall be in the vernacular language or a language as understood by the borrower.

2. Loan application forms issued by the Company shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other Company can be made and informed decision can be taken by the borrower. The loan application form shall indicate the documents required to be submitted with the application form.
3. The Company shall issue an acknowledgement for receipt of all loan applications, either electronically or through post/courier. This communication shall also include the fact that the assessment of the proposal shall be completed within 30 days from the date of receipt of all information from the prospective borrower.

#### **E. Loan appraisal and terms/conditions**

1. As part of the appraisal process, the Company shall undertake a detailed due diligence to ascertain the creditworthiness of the borrower. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.
2. The Company shall convey, in a language acceptable and understood to the prospective borrower, by means of a Sanction Letter its acceptance or a rejection mail (electronic or written) to the borrower. In that such acceptance letter/ Sanction letter, it shall contain all the terms and conditions including the annualized rate of interest and method of application thereof. Further, the Company shall mention the penal interest charged for late repayment in bold in the loan agreement.
3. The Company shall keep the acceptance of these terms and conditions by the borrower on its record.
4. The Company shall furnish a copy of the loan agreement in English or the vernacular language as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

#### **F. Disbursement of loans including changes in terms and conditions**

1. The Company shall give notice to the borrower in the vernacular language or in a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc. The Company shall also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.
2. Any decision to recall / accelerate payment or performance under the loan agreement shall be in consonance with the loan agreement.
3. The Company shall release all securities offered by the borrower on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against the borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

#### **G. General**

1. The Company has framed appropriate internal principles and procedures for determining and ensuring that the interest rates and processing and other charges are not excessive. The Company shall, at the time of disbursement, ensure that these rates and charges are in strict adherence to the mentioned principles and procedures.
2. The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).

3. In case of receipt of request from the borrower for transfer of borrower's account, the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
4. In the matter of recovery of loans, the Company should not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. The Company shall ensure that the staff is adequately trained to deal with the borrowers in an appropriate manner.
5. The Company will call delinquent borrowers between 0900 hrs and 1900 hrs unless special circumstances of the borrower's business require to call them outside the hours mentioned.

#### **H. Responsibility of Board of Directors**

A consolidated report of periodical review of compliance of fair practice code and functioning of the grievances redressal mechanism at various levels of management is submitted to the Board/Committee of Directors at least on an annual basis or as prescribed by regulatory authorities .

#### **I. Grievance Redressal Mechanism**

##### General Premise

The Company shall respond appropriately in the fastest way possible in order to amend the actions of the Company which will include but not limited to:

1. Correcting mistakes
2. Attending to borrower complaints quickly
3. Telling the borrowers how to take their complaint forward if they are still not satisfied with existing assistance
4. Reversing any charges that the Company applied due to its mistake

If after all the efforts taken by the Company as aforesaid mentioned are unable to address the grievances of the borrower, the borrower can follow the following modus operandi for redressal:

1. The Company has a system and a procedure for receiving, registering and disposing of complaints and grievances in its Corporate Office.
2. All disputes in relation to the products and services shall be heard and disposed of within 30 days from the date of receipt of the complete details in respect of the grievance.
3. The following Grievance Redressal Mechanism is put in place: To redress their grievances, applicants / borrowers may write to the Grievance Redressal Officer at the address below, clearly stating the nature of their grievance along with necessary documents, if any. A copy of the same will be returned to the borrower with dated acknowledgement.

Name of the Grievance Redressal Officer: Mr. Abhijit Ray  
Address: 9/3, Kaiser-E-Hind, Richmond Road, Bangalore-560025  
Mobile: 9986067941  
Email: -aray@ucinclusive.com

In case complaint / dispute is not redressed within a period of one month or if the borrower /borrower is not satisfied with the decision of the Grievance Redressal Officer, the borrower / borrower may appeal to the Officer-in-Charge of the Regional Office of DNBS of Reserve Bank of India at the below address:

Kind Attn:

Department of Non-Banking Supervision  
Reserve Bank of India  
10/3/8, Nrupthunga Road,  
Bengaluru-560 001

**J. Policy for determining interest rates, processing and other charges**

To ensure that the borrowers are not charged excessive interest rates and charges on loans and advances by the Company, the Board of the Company has adopted a policy for determining the interest rates, processing and other charges (“Interest Rate Policy”) and the same has been put up on the Company’s website [www.ucinclusivecredit.com](http://www.ucinclusivecredit.com). The Board of the Company undertakes periodical review of the Interest Rate Policy, and any changes instituted will be uploaded on the Company’s website regularly.

The Company shall abide by this Fair Practice Code following the spirit of the Code and in the manner it may be applicable to its business.