

## UNITED CREDIT LIMITED

**Fair Practices Code framed as per Reserve Bank of India's Guidelines on Fair Practices Code for Non-Banking Financial Companies pursuant to notification No. DNBS(PD)CC NO. 80/03.10.042/2005-06 dated 28.09.06 duly modified in accordance with Circular No. DNBS.CC.PD.No.266/ 03.10.01/2011-12 dated 26.03.2012 – Approved by the Board of Directors in its Meeting held on 27.04.2012 and further modified in accordance with Circular No. DNBS.CC.PD.No.320/03.10.01/2012-13 dated 18.02.2013 - Approved by the Board of Directors in its Meeting held on 12.04.2013.**

1		Loan Application Form and communication with borrower will be in English. In case the borrower does not understand English, arrangement for interpretation of the Agreement in the language understood by the borrower will be made. Similarly, communication will be made with the borrower in the language understood by him.
2		Loan Application Form should contain the following information :
	(a)	In case of failure and/or negligence to pay the instalment on time, penal interest up to 2% per month may be levied by the Company.
	(b)	The following documents are required to be submitted with the application for loan.
	(i)	<b><u>PROOF OF IDENTITY</u></b> # In case of individual, any one of the following documents may be furnished. # Xerox of Pan Card issued by the Income Tax Department. # Xerox of Passport issued by the Regional Passport Authority # Any other photo identity card issued by the Government authority mentioning the address.  <b>In case of Corporate body, xerox of the following three Documents should be furnished.</b> # Certificate of Incorporation # Certificate of commencement of Business # Trade Licence
	(ii)	Duly attested xerox of latest Income Tax Return and for Corporate bodies 3 years audited Balance Sheet, along with proof of filing the documents with the Registrar of Companies and Income Tax authorities.
3		All Loan Applications will be acknowledged by the Company. In the letter of acknowledgement, the tentative date of disposal of the application should be mentioned.

4	<p><b><u>LOAN APPRAISAL AND TERMS/CONDITIONS</u></b></p> <p>On receipt of the loan application duly filled in along with the required documents, the disbursing authority in the Company will promptly appraise the proposal.</p> <p>The loan application will be approved or rejected after appraisal by the disbursing authority. The decision will be communicated in writing to the applicant within a fortnight of making the application. If the application is approved, the following intimation should be given along with the letter of approval:</p> <ul style="list-style-type: none"><li>a) <i>Amount of loan sanctioned</i></li><li>b) <i>Terms and condition of sanction.</i></li><li>c) <i>Annualised rate of interest and method of calculation.</i></li><li>d) <i>Penal interest up to 2% per month may be levied in case of failure and/or negligence to pay the installment.</i></li></ul> <p><i>The Company will furnish to the borrower, a copy of the loan agreement incorporating the amount and terms and conditions of sanction with penal rate of interest printed in bold, in English or a language understood by the borrower.</i></p>
5	<p><b>DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS</b></p> <p>Loan will be disbursed within a week of sanction on fulfilment of company's requirement. The terms and conditions on which the disbursement is made including the disbursement schedule will remain valid till the loan is repaid by the borrower in full. <i>In case there are any changes in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc., the Company shall give notice to the borrower in English or a language understood by the borrower. In case of any changes, the same will be applicable only prospectively. A suitable condition in this regard will be incorporated in the loan agreement.</i></p> <p>The Loan Agreement will consist of the condition under which the Company will recall the loan or insist on acceleration of payment or performance under the agreement.</p> <p>The security will be released by the Company on repayment of all dues or on realisation of the outstanding amount of loan. However, this is subject to legitimate right of lien for any other claim, that the Company may have against the borrower. The borrower will be issued notice of such set off and the claim of the company remaining thereafter. The Company will also intimate the borrower the conditions under which the company is entitled to retain the security till the relevant claim is settled/paid.</p>

6

**GENERAL**

The Company will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the Loan Agreement or any modifications thereto as may be mutually agreed upon *(unless new information, not earlier disclosed by the borrower, has come to the notice of the Company)*

In case of receipt of request from the borrower for transfer of borrowal account, the matter will be discussed and decision in this connection will be taken by the disbursing authority authorised by the Board of Directors which will be communicated to the borrower within 21 days from the date of receipt of the request. The Company will resort to only legal means for recovery of a loan.

In case the borrower has any grievance, the disbursing authority will settle the same by negotiation. If need be, the matter may be referred to the Managing Director and/or Director-in-charge for disposal.

The Board of Directors will review the prescribed Fair Practices Code at least once in six months.

*In the matter of recovery of loans, the Company will resort to legal means only.*

7

Regulation of excessive interest charged:

The company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.

The Company has adopted an Interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged on loans and advances.

The rate of interest to be charged depends upon the gradation of the risk of the borrower i.e. the financial strength, business, competition, past history, etc. The rate of interest charged by the Company varies between 12.5% and 18%..

The rate of interest shall be annualized so that the borrower is aware of the exact rates that would be charged to the account.

8

Repossession of vehicles financed by the Company

*The Company has stopped financing vehicles. In case the management decides to start vehicle financing, the provisions regarding repossession of vehicles in line with the requirement of the circular issued by the Reserve Bank of India, i.e. (i) notice period before taking possession; (ii) circumstances under which the notice period can be waived; (iii) the procedure for taking possession of the security; (iv) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property; (v) the procedure for giving repossession to*

*the borrower and (vi) the procedure for sale / auction of the property, will be mentioned in the Loan Agreement and a copy of the Loan Agreement containing such terms and conditions will be made available to the borrower along with the enclosures quoted in the Loan Agreement.*

9 Internal control system

*As the primary responsibility for compliance with the Directions rests with the Company, the Company shall make necessary organizational arrangements to assign responsibility for compliance to designated individuals within the Company and establish systems of internal control including audit and periodic inspection to ensure the same.*

10 Grievance Redressal Mechanism – Nodal Officer

As per Circular No. DNBS.CC.PD.No.320/03.10.01/2012-13 dated 18<sup>th</sup> February, 2013, Mr. Tapas Chaudhuri, Principal Officer of the Company, has been assigned with the job of Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company. His contact details are as under:

Telephone No. : (033) 2287-9359 / 9360  
Mobile No. : 9830336479  
E-mail : [unitedcredit@vsnl.com](mailto:unitedcredit@vsnl.com)  
[unitedcreditkol@eth.net](mailto:unitedcreditkol@eth.net)

If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of the Reserve Bank of India, Kolkata. The details of DNBS is given below:

General Manager  
The Department of Non-Banking Supervision  
Reserve Bank of India  
15 Netaji Subhas Road, 5<sup>th</sup> Floor  
Kolkata 700 001  
Tel: 033-2231 0201  
Fax: 033-2231 3185  
Email: [dnbskolkata@rbi.org.in](mailto:dnbskolkata@rbi.org.in)

**Mandatory display Requirements:**

The details of the Complaint/Grievance Redressal officer and details of DNBS, RBI shall be displayed prominently in the workplace of the Office.

A.	<p><b><u>APPLICATION FOR LOAN AND PROCESSING THEREOF</u></b></p> <p>i) On receipt of application Form duly filled in, the same will be appraised by the Company and if sanctioned, communication will be sent to the proposer with details of company's requirement for grant of loan.</p> <p>ii) <b><u>PRESENT RATE OF INTEREST AND OTHER CHARGES</u></b></p> <p>(a) Rate of interest : Should not be lower than the prevailing Bank rate being the standard rate made public U/s 49 of the Reserve Bank of India Act, 1934. However, depending on the merit of the case the Board may consider lower rate of interest provided there is no statutory prohibition</p> <p>(b) Processing fee : Minimum Rs.1000/-</p> <p>iii) Rate of interest is subject to upward revision depending on the market rate.</p> <p>iv) Installment as given in the Schedule marked Annexure II is payable on due date.</p> <p>v) In case of delay by more than 7 days, the company reserves the right to charge penal interest of 2% per month.</p> <p>vi) The terms and conditions of loan is governed by the agreement to be entered into between the company and the proposer. Any changes thereto will be made with prior intimation to the borrower and will be binding on him/it as if the same were originally stipulated in the agreement so executed by and between the company and the borrower. Such changes will be intimated by the Company to the borrower by means of a letter which will be treated as supplement to the agreement.</p>
B.	<p><b><u>CREATION OF SECURITY</u></b></p> <p>i) Security executed by the borrower in favour of the company will be released on repayment of all dues by the borrower. If any charge is created by the corporate borrower in favour of the company, the charge documents will be filed electronically and the corporate borrower must have E-signature for its authorised signatory.</p> <p>ii) The company reserves the right to hold the securities even after repayment of the loan amount in case the borrower has dues on a/c of any other loan given by the company in terms of a separate agreement executed before or after the subject agreement and the instalments are not paid on time.</p> <p>iii) The borrower will issue the Promissory Note in the prescribed format of the Company.</p>

<p>C.</p>	<p><b><u>GENERAL</u></b></p> <p>i) The details Fair Practices code is given on the company's website <a href="http://www.unitedcreditltd.com">www.unitedcreditltd.com</a></p> <p>ii) In case of any dispute attempt will be made at the 1st instance to resolve the same by way of arbitration and in case of failure the matter may be referred to the court of law.</p> <p>iii) In case the borrower has got any grievance, that may be referred to the company for redressal.</p> <p>iv) Loan will be disbursed within a week of sanction.</p> <p>v) The Company is at liberty to recall the loan in the circumstances mentioned in the loan agreement.</p> <p>vi) The company already has a Risk Management System. No disbursement of Fund is made by the Company without proper assessment of purpose and source of repayment. The Company will stringently follow the guidelines given by the Reserve Bank of India vide its Notification No.DNBS(PD).CC.No.264/03.10.42/2011-12 dated 21<sup>st</sup> March 2012 in respect of Money laundering &amp; Financing of Terrorism and any other applicable circular(s) issued by the Reserve bank of India or will be issued in the future</p>
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