

UNACCO FINANCIAL SERVICES PRIVATE LIMITED

Head Office & Regd. Office : Bhetapara Chariali, Building No. 12, SB Complex, Bishnu Rabha Path
Guwahati (Assam) – 781028

Phone no. 0361-2301208, Fax-0361-2301208

Website: www.unacco.in, email:- unacco_ro@rediffmail.com

Fair Practice Code- Micro-Finance Loans

UFSPL is a non deposit taking NBFC MFI which offers collateral free Micro-Finance Loans to the borrowers. RBI Circular prescribes broad guidelines on Conduct towards Microfinance customers that are to be framed and approved by the Board of Directors of all NBFC-MFIs. The Fair Practices Code is aimed to provide to the customers effective overview of practices, which will be followed by the Company in respect of the financial facilities and services offered by the Company to its microfinance customers. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to microfinance loan that the Company may sanction and disburse. Any subsequent revision in the RBI guidelines related to fair practice code, the revised RBI guidelines will supersede, the current Fair Practice Code to the extent it is not in compliance with the updated guidelines / instructions. The Company's business would be conducted in accordance with prevailing statutory and regulatory requirements, with due focus on efficiency, customer-orientation and corporate governance principles. In addition, the Company would adhere to the Fair Practices Code in its functioning, the key elements of which are as follows:

Loan Process:

1. There shall be a standard form of loan agreement for microfinance loans in a language understood by the customer.
2. Household income of the clients does not cross Rs. 3, 00,000 for Microfinance Loans offered by UFSPL.
3. UFSPL follows the limit on the outflows for repayment of monthly loan obligations of a Household as 50% of the monthly Household income.
4. Loan Accounts of Borrowers are not linked with a lien on the Deposit account.

Recovery Process:

1. UFSPL provides the flexibility of repayment periodicity to the borrowers. Clients are offered the options to choose amongst the Weekly, Fortnightly and Monthly mode of Repayments.
2. UFSPL does not engage in any harsh methods towards recovery such as:
 - Use of threatening or abusive language
 - Calling or visiting the customer before 9:00 a.m. and after 6:00 p.m. However, collection team / agent may visit the place of customer at mutually agreed time.
 - Harassing relatives, friends, or co-workers of the customer
 - Publishing the name of customers

GST REGN. No. – 18AAECS7257A2ZD, CIN – U65999AS1992PTC011903

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- Use or threat of use of violence or other similar means to harm the customer or customer's family/ assets/ reputation
 - Misleading the customer about the extent of the debt or the consequences of non-repayment
3. Recovery shall be made at a designated/ central designated place decided mutually by the borrower and the regulated entity. However, field staff shall be allowed to make recover at the place of residence or work of the borrower if the borrower fails to appear at the designated/ central designated place on two or more successive occasions.

Operational Process:

1. UFSPL submits Timely and accurate data of borrowers to all CICs. The data related to customer's Household income is also shared to all CICs.
2. Loan Indebtedness and Household income of all the Borrowers are checked and appraised with the upfront CIC report. The Credit History of all the family members except married members is reviewed before processing the Loan.
3. Repayment obligations take into account all outstanding loans (collateral-free microfinance loans as well as any other type of collateralized loans) of the household.
4. UFSPL Loan Cards contain complete information on
 - Simplified factsheet on Loan Pricing
 - Information which adequately identifies the borrower
 - All other terms and conditions attached to the loan
 - Acknowledgements to all repayments including instalments received and the final discharge.
 - Details of the Grievance Redressal system, including the name and contact number of the nodal officer of UFSPL.
5. All entries in the loan card are in a language understood by the customer.
6. Issuance of non-credit products shall be with full consent of the customers and fee structure for such products, if applicable, shall be explicitly communicated to the customer in loan card.
7. UFSPL manages strict Employee Engagement on
 - Providing necessary training tools to deal with the customers and maintaining/meeting minimum qualifications for the staffs.
 - Timely Training programs to inculcate appropriate behaviour towards customers. The conduct of employees towards customers is also incorporated appropriately in their compensation matrix.
 - Training to make necessary enquiries regarding the income and existing debt of the household.

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8. UFSPL discloses and displays the below mentioned requirement in all its offices and Website

- Interest rates and other fees and charges on microfinance loans
- Pricing-related information to a prospective borrower in a standardized simplified factsheet.
- Minimum, maximum, and average interest rates charged on microfinance loans in all offices, in the literature (information booklets/ pamphlets) issued, and details on website.
- Fair Practice Code

9. UFSPL is committed to practice fair and transparent Policies. Board approval on the below policies are taken to proceed ahead

- Flexibility of repayment periodicity on microfinance Loans
- Assessment of household income
- Limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income
- Pricing of microfinance loans
- The conduct of employees and system for their recruitment, training and monitoring.

This policy has been approved by the Board of Directors.

For UNACCO FINANCIAL SERVICES PVT. LTD.

N. Irabanta Singh
Mr. N. Irabanta Singh, Managing Director

Managing Director

DIN: 01072459