



UV Asset Reconstruction Company Limited

"Restoring NPAs Back to Health"

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Fair Practice Code

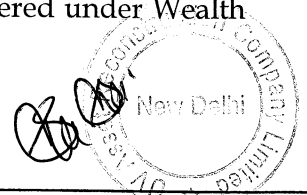
Preamble

UV Asset Reconstruction Company Limited (UVARCL) is an Asset Reconstruction Company (ARC) registered with Reserve Bank of India (RBI) in terms of the section 3 of the SARFAESI Act 2002 ((hereinafter referred to as "Act") and is also registered under Companies Act, 1956. As an ARC it can carry on the business (es) permitted under the Act and certificate of registration granted by RBI.

UVARCL can acquire financial assets from Banks/FIs etc. in its own books or in the trust formed for this purpose. As an ARC it also act as manager cum trustee of any trust set up by it for acquisition of non-performing loans/financial assets and realisation thereof as prescribed in the SARFAESI Act, 2002. For this purpose, UVARCL can raise funds from Qualified Buyers (QBs) by issuing Security Receipts (SRs) against their subscription for acquiring financial assets and hold the underlying securities/ rights in the trust for the benefit of SR holders. UVARCL's responsibility as a trustee be well defined in the terms of the trust deed and offer documents for issue of SRs.

UVARCL pursuant to the guidelines issued by RBI is adopting Fair Practice Code by setting up principles for fair and transparent standards. While dealing with various stakeholders and simultaneously adhering to all applicable laws, rules and regulations and the guidelines issued by RBI

1. Transparent and non-discriminatory practices shall be followed in acquisition of assets for this, beside other, standards for maintaining arm length distance acquisition from interested parties will not be done on bilateral basis.
2. In order to enhance transparency in the process of sale of secured assets, UVARCL will ensure:
 - (i) To have valuation of secured assets (particularly immovable properties) to be sold be fair and taken from approved valuer. The valuer should also be registered under Wealth Tax Act.





(ii) To have maximum participation and maximum possible value, invitation for participation in auction shall be publicly solicited.

(iii) The sale of secured assets through auction be placed on Company's website for wider coverage.

(iv) terms and conditions of such sale to be decided in wider consultation with investors in the security receipts.

(v) In case of failure of auction sale can be under private treaty after following due process as prescribed under the act and security interest enforcement rules.

(vi) Spirit of Section 29A of Insolvency and Bankruptcy Code, 2016 be followed in dealing with prospective buyers. For this, an undertaking be obtained from prospective buyer/bidder.

(vii) UVARCL may resort to Swiss-Challenge Method to ensure maximum realisation subject to permissible under law.

3. All securities shall be released on repayment of dues or on realisation of the outstanding amount of loan; subject to any legitimate right or lien for any other claim 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 UVARCL is entitled to retain the securities till the relevant claim is settled/ paid.

4. Board Approved Policy will be framed to ensure that the management fees, expenses and incentives etc. charged should be transparent and reasonable and also proportionate to the financial transactions. The fees and charges are clearly documented in the offer document to enable the prospective investor (QBs) in SRs to know such fees/charges beforehand.

5. (a) A comprehensive outsourcing policy, approved by the Board, is being put in place

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for engagement of service providers as required from time to time. The outsourced agency, if owned/controlled by a director of the UVARCL will be made part of the disclosures as specified by the Regulator.

(b) UVARCL has already in place a policy for Empanelment and appointment of Approved Valuers, Advocates and Analysts to carry out due diligence. The Policy has been reviewed in terms of recent RBI Guidelines and a comprehensive Policy for outsourcing for appointing Resolution/Recovery Agents is also being placed.

UVARCL is also having other Board approved policies viz. Asset Acquisition Policy and Asset Resolution Policy which is already in force.

An approved code of conduct for Recovery Agents will be put in place and undertaking to abide by the code is invariably taken from these agents. UVARCL as principal is responsible for the actions of Recovery Agents and ensures that strict customer confidentiality is maintained by them. For this purpose it is also to be ensured that:

- (i) Resolution/ Recovery Agents observe strict customer confidentiality.
- (ii) Resolution/ Recovery Agents are properly trained to handle their responsibilities with care and sensitivity, particularly in respect of aspects such as hours of calling, privacy of customer information, etc. Company will ensure that Resolution/ Recovery Agents do not induce adoption of uncivilized, unlawful and questionable behaviour or recovery process and must work within legally permissible actions and also by the terms and conditions of appointment. Company will monitor that these aspects are being followed by these agents.

6. UVARCL shall constitute Grievance Redressal machinery within the organisation. The name and contact number of designated grievance redressal officer of the UVARCL should be mentioned in the communication with the borrowers. This will also be disclosed on its website for all stakeholders to lodge and submit their grievances if any. The designated officer should ensure that grievances are redressed promptly. Grievance Redressal machinery will also deal with the issue relating to services provided by the outsourced agency and recovery agents, if any.

7. UVARCL, for realisation/recovery of loan will not resort to harassment of the

borrower. It will also be ensured that staff dealing with recovery is properly trained and to deal in an appropriate and legitimate manner.

8. (i) UVARCL in the capacity of trustee and for the benefit of SR holder will make sincere and permissible efforts to meet its commitments made in the offer document.

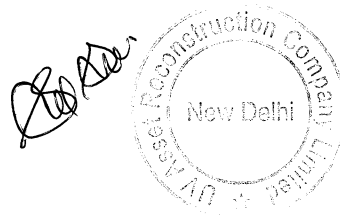
(ii) UVARCL will provide status position of the loan acquired to SR holders for their information on quarterly basis.

9. UVARCL shall keep the information, they come to acquire in course of their business, strictly confidential and shall not disclose the same to anyone including other companies in the group except when **(i)** required by law; **(ii)** there is duty towards public to reveal information; or **(iii)** it is required in Company's interest as per law or **(iv)** with permission of the borrower.

Further, UVARCL will also take undertaking from outsourced agents to maintain strict confidentiality in these matters.

10. A quarterly return on the status of implementation of Fair Practice Code will be put up to the Board.

11. The Fair practice code shall be reviewed annually by the Board of Directors.

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