

USHA FINANCIAL SERVICES LIMITED

FAIR PRACTICE CODE

CHAPTER I -INTRODUCTION

This has reference to RBI MASTER Circular No. DNBR CC.NO. 054/03.10.119/2015-16 dated 1ST July 2015, wherein Reserve Bank of India (RBI) has summarized the guidelines on Fair Practices Code for NBFCs.

The Fair Practices Code, as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for NBFCs as contained in the aforesaid RBI Circular. This sets minimum Fair Practice standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day to day basis.

This policy applies to all customers including those with any complaints/enquiries as posted on social/any other media and we encourage all customers to reach out to the below platforms as required.

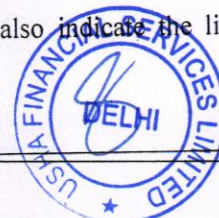
CHAPTER II- OBJECTIVE OF THE CODE

- The code has been developed with objective of dealing with customer in fair manner by providing and developing training and implementation of Fair Practice Code.
- Through transparency enabling customers in having a better understanding of the product and taking decisions wisely.
- By developing customer confidence in the company through a mechanism for constantly receiving feedback/grievances from customers.

CHAPTER III- OPERATING GUIDELINES

a) Applications for Loans and their processing

- The Company offers financial products of short and medium term financing to SMEs, MSME and nature of personal Loans with or without the security of residential or commercial or vacant land property or any other adequate security primarily to the small and medium enterprises engaged in the business of manufacturing, services and agriculture, self-employed professionals, salaried employees, traders, retailers, businessmen, agents, distributors, companies, corporate and individuals for their requirement relating to expansion of business, working capital needs and or personal needs.
- The 'Application Form with checklist of documents' of UFSL will include all information and documents that is required to be submitted by the Borrower. Necessary information will be provided by UFSL to facilitate the Borrower in making a meaningful comparison with similar terms and conditions offered by other Non-Banking Finance Companies (NBFCs) and taking a learned decision based on the aforesaid assessment.
- The 'Application Form with checklist of documents' of UFSL may also indicate the list of



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documents required to be submitted by the Borrowers along with the Application form.

- UFSL has a procedure of giving an acknowledgement for receipt of Application form to its Borrower for availing loans. UFSL would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information and documents.

b) Loan appraisal and terms/conditions

- UFSL shall convey in writing to the Borrower by way of a sanction letter or otherwise, the amount of loan/limit sanctioned along with all the terms and conditions including annualized rate of interest and method of application thereof and shall keep the acceptance of these terms and conditions by the borrower on UFSL'S record. Any clause relating to penal interest charged for late repayment will be specified in bold in the Loan Agreement. UFSL at the time of sanction/disbursements of loans will furnish a copy of loan agreement to the borrower. UFSL ensures to convey and explain in detail all the terms and conditions of Sanction letter, agreement etc., in the vernacular language preferred by the customer.

c) Disbursement of loans including changes in terms and conditions.

- Through its published website or as appropriate if specific to a customer, UFSL will give Notice to its Borrower(s), of any change in the terms and conditions of the sanction Loan. UFSL will also ensure that changes in interest rates, fees and all other charges are affected only prospectively.
- Decision to recall/accelerate payment or performance under the Agreement will be in consonance with the respective loan Agreement.
- UFSL will release all securities of its Borrower only on repayment of all dues by such Borrower, or only on realization of the outstanding amount of the Borrower's availed limit, subject to any legitimate right or lien for any other claim which UFSL may have against its Borrower. If such right of set off is to be exercised, the Borrower will be given notice about the same with full particulars about the remaining claims and conditions under which UFSL will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower. Due No- objection certificate will be issued to the customer on fulfillment of said terms within 20 workings days of completion of all formalities required for the same.

CHAPTER IV –General

- UFSL will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of UFSL).
- In case of receipt of request from the Borrower for transfer of Borrower account, the consent or otherwise i.e. objection of UFSL, if any, is generally conveyed to such Borrower within 21 days from, the date of receipt of the Borrower's request. Such transfer will be as per transparent



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contractual terms inconsonance with all the applicable laws.

- For recovery of loan UFSL shall follow procedure as laid down in the internal guidelines and provisions and would remain within the legal framework. We will ensure that the staff is adequately trained to deal with the customers in appropriate manner.
- As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of loans by borrowers of Company, the Company Shall not Charge foreclosure charges/pre-payment penalties on all floating rate term, loan sanctioned to individual borrowers.
- When a person applies for a loan product we may pass on such details for purposes of credit reporting verification and risk management as may be require, we will exchange information about our customer with reputation, reference, sources and clearing house services,
- We may give information to such credit reference agencies about the loan taken from us your repayment track record and other appropriate details to build your credit profile,
- We may provide such credit reference agencies, information about day to day running of your account as per the consent provided by you in your loan agreement terms.
- We may provide such information to our group/associates, entities or companies when we have tie up arrangement for providing other financial products, provided we have your permission through consent obtained as apart as our terms and conditions.

CHAPTER V - GRIEVANCE REDRESSAL OFFICER

the present competitive scenario, excellent customer service is an important tool for sustained business growth. Customer complaints are part of the business life in any corporate entity.

At UFSL, customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. UFSL has come up with a lot of initiatives that are oriented towards providing a better customer experience and an efficient complaints redressal mechanism with a view to providing enhanced experience to our customers.

In order to make UFSL'S redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given frame- work of rules and regulation.

Grievance redressal framework to handle customer complaints/grievances

a) Stage 1 - Grievance redressal at Branch level

The customer may register his/her query/complaint to UFSL which shall be addressed by the Branch Manager by email or through phone. The customer can also personally visit the Branch office and make the complaint in writing to the Branch Manager in the complaint register available in the



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branch. On registering the complaint customer shall be provided a Reference number for the complaint lodged with UFSL for future correspondence.

b) Stage 2 - Grievance redressal framework at Corporate Office

If the customer is not satisfied with resolution provided by the local branch office, the customer may provide feedback or send in their complaint using the following channels between 10:00 am and 5.00 pm, from Monday to Friday (except on national holidays).

- Call our Customer Care Helpline on 011-47019079
- Email us at info@ushafinancial.com
- Write to us at the below mentioned address:

CUSTOMER CARE DEPARTMENT

USHA FINANCIAL SERVICES LIMITED

330, Mazzanine Floor, Patparganj Industrial Area,

Delhi-110092

c) Stage 3 - Escalation

In case the complaint is not resolved within the given time or if the customer is not satisfied with the solution provided, the customer can approach the Complaints Redressal Officer.

The name and contact details of the Complaint Redressal Officer is as follows:

MR. PRANAY DHONDIYAL

USHA FINANCIAL SERVICES LIMITED

330, Mazzanine Floor, Patparganj Industrial Area,

Delhi-110092

Email id –info@ushafinancial.com

We assure a response to letters/emails received through this channel within 7 working days at every stage. If the complaint/dispute is not redressed within a period of one month, the customer may appeal to Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision of RBI under whose jurisdiction the Registered Office of the UFSL falls. The details of DNBS is as given below

General Manager, Department of Non-Banking Supervision, Reserve Bank of India, 6, Sansad Marg, New Delhi-110001

d) Mandatory display requirements

UFSL has the following in all our Regional Offices and branches:



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- ✓ Appropriate arrangement for receiving complaints and suggestions.
- ✓ Display of the name, address and contact number of the Complaint Redressal Officer. The process of the complaints redressal unit will ensure closure of all complaints to the customers' satisfaction.

They will ensure that the complaint is escalated to the appropriate levels in case it is not possible to resolve at his/her level. Whilst the ultimate endeavor is to ensure we reach a situation where our customers don't have to complain to senior management to get an effective redressal, we have put in a robust mechanism to handle these complaints, review them from a point of view of understanding reasons for the complaint and for the escalation and working on prevention of recurrence thereof.

e) Time frame

To register complaints, the customers may use any of the channels mentioned above (refer point (a) on Internal Machinery to handle the customer complaints). If the complaint has been received in writing, UFSL will endeavor to send an acknowledgement/response within 15 days. Once the matter is examined, by UFSL endeavors to either send a final response to the customer or an intimation seeking more time within one month upon receipt of complaint.

Complaints that are received at our end will be seen in the right perspective and would be analyzed from all possible angles.

The communication of UFSL's stand on any issue will be provided to the customers. Complaints that require some time for examination of issues involved will be acknowledged promptly.

The aforesaid policy will be reviewed periodically/revised as and when there are any new changes incorporated by UFSL in handling complaints/grievances of the customer which includes introduction of new grievance channels, if any.

CHAPTER VI- 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 for loans and advances.

The rate of interest to be charged depends much upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment, credit score and social activities affecting the business, competition, past history of the borrower etc.

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



CHAPTER VII-RESPONSIBILITY OF BOARD OF DIRECTORS

The Board of Directors of the company had laid down appropriate grievance redressal mechanism within the organization. Such a mechanism ensures that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism.

