

UJALA COMMERCIALS LIMITED

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FAIR PRACTICE CODE

1. INTRODUCTION

Pursuant to Reserve Bank of India (RBI's) Circular DNBS.CC.PD.No.266 /03.10.01/ 2011-12 dated March 26, 2012, issued to Non-Banking Financial Companies (NBFCs), the Fair Practices Code, as adopted herein below, is in conformity with the Guidelines on Fair Practices Code for NBFCs as prescribed by the Reserve Bank of India and as contained in the aforesaid RBI Circular. The Company would adhere to the Fair Practices Code in its functioning, the key elements of which are as follows:-

2. APPLICATIONS FOR LOANS AND THEIR PROCESSING

a) The Loan application forms will be in English – for all corporate and business class borrowers and also for individuals.

b) The Loan application form will be submitted in the vernacular language of the place where the office including branch of the Company is situated if the individual borrower does not understand English.

c) Application form for loans should include necessary information which affects the Interest of the borrower; all the terms and conditions for loan to be advanced should be detailed in the application form itself.

d) The loan application form will indicate the documents required to be submitted for processing the application.

e) The Company will issue acknowledgment for receipt of all loan applications and such acknowledgement will also indicate the date within which the application will be disposed of which in normal case shall not exceed 30 working days, from the date of receipt of the completed form. The Company will inform in writing to the borrower by means of sanction letter the amount of loan sanctioned and all the terms and conditions including annualize rate of Interest and method of application thereof. The Company will keep the acceptance of these terms and conditions by the borrower on its record. The loan shall be disbursed only on receipt of such acceptance.

f) Interest will be Charges @ 12% to all categories of Borrowers. Interest rate will be revised in the event there is any upward revision in the rates by the regulator. Such changes and period will be communicated to the borrower by the lender.

g) Interest may be charged below 12% depending on the collateral security and credit worthiness of the borrower. But this will be at the sole discretion of the lender.

3. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

a) The Company will give notice to the borrower of any changes in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Any change in interest rates and charges shall be effective only prospectively. An express condition in this regard will be incorporated in the loan agreement. Any decision to recall/accelerate payment or performance under the agreement will be in consonance with the loan agreement.

b) The company will release all securities 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 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.

4. GENERAL

a) The company will not interfere in the affairs of the borrower except for the purpose 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 lender).

b) In case of receipt of request from the borrower for transfer of borrowed account, the consent or otherwise i.e. objection of the company, if any, should 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.

c) In the matter of recovery of loans, the company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loan etc.

d) The Board of Directors of the company will constitute a grievance redressal committee comprising of one 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 should also provide for periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

e) The company is not a NBFC-MFI Company and therefore the clause is not applicable to the company.

f) At present the Company does not give loans against collateral of gold jewellery. However, the Company shall comply with Fair Practice Code in this regard as and when it starts lending against collateral of Gold Jewellery.

5. GRIEVANCE REDRESSAL POLICY

a) All grievance made by the customers will be recorded in the Register maintained by the Company which will be serially numbered and will be available at all times.

b) All grievances even if discharged orally for the time being a written reply will be made duly appreciating their issues and the initiative by the company for addressing their issues.

c) A Grievance Redressal meeting will be held at the end of every six month and all customers will be invited to the said meeting so that their grievances are heard for betterment of services to them.

d) The Grievance Redressal officer will be available to hear the issues of all customers between 3:00 P.M. and 5:00 P.M. daily. In the event of him not being available the immediate senior officer in the Company will attend the customer.

6. WIDE DISSEMINATION AND PERIODIC REVIEW

The Company shall put the above Fair Practices Code outlined hereinabove on its web site, for the information of various stakeholders. The Company shall also review and refine the Code, as may be required periodically - based on its own experience and fresh guidelines, if any, to be issued by the RBI in this regard.