

Policy #1

Fair Practice Code



Policy Name	Fair Practice Code
Policy Number	1
Effective Date	July 2021
Next Review Date	July 2022

1. Objective

The Code covers the standard of conduct and ethics practiced at Radian Finserv under the guidelines of regulatory bodies.

2. Scope and Coverage

It specifies standard code of conduct, compliance and expected behavior and actions from the employees at all levels including interns, contract, temporary, part-time, and permanent employees.

3. Introduction

Radian Finserv is a private limited company registered under The Companies Act 2013. Radian aims to provide financial services as a NBFC. Radian shall be guided by guidelines and Industry Code of Conduct laid by RBI. The Reserve Bank vide its circular dated **July 01, 2015, RBI /201516/16 DNBR (PD) CC. No. 054/03.10.119/2015-16**, issued guidelines on Fair Practices Code (FPC) for all NBFCs to be adopted by them while doing lending business. The guidelines, inter alia, cover general principles on adequate disclosures on the terms and conditions of a loan and adopting a non-coercive recovery method. Adhering to the Code of Conduct of the industry, Radian Finserv reinforces the commitment of adopting fair practices in lending and being transparent to our customers. Radian Finserv practices ethical business standards to establish valuable relationships with customers.

4. Display

Fair Practice Code is to be displayed in all our Branches, Regional, and Head Offices as well as on the company website i.e., www.radianfinserv.com.

5. Transparency of policy

Our policy and practices are transparent and fair. All communications with borrowers are in simple language, and we endeavor to use vernacular language in verbal communication. We educate our customers about terms and conditions of the loan, including rate of interest, loan tenure, applicable charges, and gold auction procedure in the language they understand (vernacular language) so that they can make a conscious and well-informed decision.

6. **Verification**

All applications are verified and processed before sanctioning the loan. Radian Finserv's staff members are trained to make necessary enquires, check gold quality, ownership of the gold, creditworthiness, and KYC based on RBI guidelines.

7. **Staff Training**

We focus on quality service and train our staff adequately to display organization's values and treat our customers respectfully. All our employees will go through a structured training program on gold assessment processes, policies, and client handling (behavior) to ensure defined and structured information passes to our customer. We ensure our staff members treat our customers respectfully and address their concerns/dispute on priority.

8. **Clarity of Communication and Understanding**

To establish clear communication with our customers, we provide all information in the sanction letter/loan card during the disbursement. Loan card includes the terms and conditions of the loan as communicated to customers.

9. **Central Disbursement**

All the Sanctions and Disbursement of loan is to be done centrally through Head Office post KYC verification and gold evaluation.

10. **Privacy of Customers**

We respect individuals' privacy and assure our customers that privacy of their data will be maintained. However, a written consent will be obtained for using this information for sharing it with credit bureau agencies.

11. **Gold as collateral**

Loans are provided against gold jewellery. Prior to sanction of loan gold is evaluated by a trained staff appraiser. The safety of customer's gold is high priority which will be ensured by taking adequate safety measures. A team of internal auditors ensures the adherence of processes and checks.

12. **Auction procedure**

Our customers would be made fully aware about the auction procedure in case of non-repayment of the loan. Customers would be notified adequately before initiating the auction process. Auction is done as per the RBI guidelines through the auctioneers approved by the Board.

13. **Process for dealing with frauds**

Radian Finserv will have a defined process for dealing with staff frauds including separation of duties. A detailed compliance policy for staff will cover aspects of frauds, investigation process, and consequences.

14. Place of Collection of EMIs

We would not resort to harassment viz; persistently bothering our customers at odd hours, use muscle power or rude behavior from our staff for recovery of loan. Our staff may make a visit to the place of residence or work of the borrower only if the borrower fails to repay the loan.

15. Grievance Redressal System

We have an efficient multilayer grievance redressal system to address our customers' concerns. We would have nodal officers appointed at branch and HO levels, to ensure that disputes and grievances will be heard and resolved within a given time. We would have a designated grievance redressal officer at the Head Office who can be reached at the contact details provided on borrower's loan card.

16. Adherence to Compliances

To ensure the company adhere to all the compliances of the industry, we have dedicated and structured audit and compliance team. A designated nodal officer at Head Office would ensure periodic inspection and audit of all process and policies at reasonable frequency.

17. Loan Agreement /Loan Card

The Company shall adopt a board approved standard form of loan agreement and loan card; the loan agreement shall be in simple language and shall cover all points as per RBI Master Circular Dated July,01,2015, RBI/201516/16, DNBR (PD) CC. No. 054/03.10.119/2015-16.

18. Interest rate Model

Radian Finserv shall adopt an interest rate model considering relevant factors such as cost of funds, margin, and risk premium etc. and determine the rate of Interest to be charged for loans and advances. The rate of interest would be mentioned upfront so that the borrower is aware of the exact rate charged for the loan amount.

19. Fair Practice Committee

Radian Finserv shall constitute a Fair Practice Committee led by one of the board members for implementation and monitoring of fair practice code in the Company. The board of directors would periodically review the compliance of the Fair Practice Code and the functioning of the grievance redressal mechanism. A consolidated report of such reviews shall be submitted to and reviewed by the Board at regular intervals.