

Policy #01

Fair Practice Code



Policy Name	Fair Practice Code
Policy Number	01
Version	2.0
Effective Date	Feb 2024
Next Review Date	Jan 2025

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 the 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) to be adopted 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 Storefronts, 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 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. 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. Welcome Call to customers are made within 48hrs of the loan disbursement. Product information is given for confirmation.

9. Central Disbursement

All sanctions and disbursements of loan is to be done centrally through Head Office post KYC verification and gold evaluation.

10. Information and Data Privacy

We respect privacy of our customers and assure them that all their data and information will be maintained in a secure environment. A written consent will always be obtained from the customers for sharing this information with credit bureau agencies.

11. Gold as collateral

Loans are provided against gold jewellery. Prior to sanctioning the loan, gold ornaments provided by the customer will be evaluated by a trained appraiser. The safety of customers' jewellery is of paramount importance to us, which will be ensured by taking adequate safety measures. A team of internal auditors will ensure adherence of appropriate 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 will be notified well in advance before initiating the auction process. All auctions are done as per the RBI guidelines through the auctioneers approved by the Board.

13. Process for dealing with frauds

Radian will have a well-defined process for dealing with all types of frauds which will include separation of duties for internal staff, taking the help of technology to prevent and detect fraud, and such similar measures. Company's compliance policy will cover aspects of frauds, investigation

process and subsequent implementation of the investigation findings. For Employee fraud disciplinary action will be initiated.

14. Branch Operation Process

A hand book on Branch Operation is

15. Collection Process

Radian will follow the industry practice for collection of due loan amount (interest, principal and or any other charges) from its customers. None of its staff or any other collection entity employed by Radian will resort to harassment viz; persistent bothering customers at odd hours, use muscle power or rude behavior or such similar intimidating tactics for recovery of loan. The collection resource may make a visit to customer's place of residence or work only if the customer fails to repay the loan. Encourage only digital payments to Radian account.

16. Grievance Redressal System

We have an efficient multilayer grievance redressal system to address our customers' concerns. Nodal officers will be appointed at branch and HO levels, to ensure that disputes and grievances can be addressed and resolved within a given time frame. There will be a designated grievance redressal officer at the Head Office also whose contact details will be made available on the website/app

17. Compliance

Radian has a dedicated and structured audit and compliance team to ensure that the company adheres to the necessary compliance requirement as per industry practices and as stipulated by the regulatory authorities. ., A designated nodal officer at Head Office will conduct periodic inspection and audit of all process and policies at pre-defined frequency.

18. Loan Agreement

Radian will adopt a board approved standard form of loan agreement; which will 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.

19. Interest Rate

Radian will adopt an interest rate model keeping various factors into consideration affecting the overall business and its profitability such as cost of funds, cost of operations, risk premium, insurance, gold rate, etc. to determine the interest to be charged to the customers for loans and advances The rate of interest would be mentioned as a part of the customer loan agreement so that the customer is aware of the exact rate charged for the loan amount.

20. Fair Practice Committee

Radian Finserv will constitute a Fair Practice Committee led by one of the board members for implementation and monitoring 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.

21. Declaration

A declaration on dos and Don'ts is communicated to all branch staffs to adhere to and educate customers to follow in their transactions with Radian. It is prominently displayed in vernacular language at all branches. Adherence to the declaration is strictly monitored.