

FAIR PRACTICES CODE

Background

The Reserve Bank of India ("RBI") has specified the broad guidelines on Fair Practices Code vide its Circular No. RBI/2006-07/138 DNBS (PD) CC No. 80/03.10.042/2005-06. The Guidelines have been recently amended vide Circular RBI/DNBR/2016-17/45/Master Direction DNBR.PD.008/03.10.119/2016-17 dated 1st September, 2016.

The Company has adopted the Fair Practices Code based on the guidelines mentioned in the above circular. This Fair Practice Code sets out the minimum practices to be followed by the company while dealing with the clients and to ensure better service and provide necessary information to customers to take informed decisions.

Radiant Financial Services Limited is registered with RBI as a Non Deposit Accepting Non Banking Financial Company (NBFC -ND).

Application of the Code

The Company is engaged in the business of providing loans to Individual and Non Individual corporate clients.

This Code shall be applicable to all the services offered by the Company.

Objectives

This Code has been developed to:

- Promote good and fair practices by setting standards in dealing with the customers.
- To provide the necessary information to the customers and to increase the transparency, to enable customers to take informative decisions and to appraise them of the services rendered by the Company.
- To promote a fair and cordial relationship with the customers.
- To encourage market forces through competition and to achieve higher operating standards.

Applications for loans and their processing

- Know Your Client (KYC) Application Forms shall be made available to all prospective clients to obtain their complete details including details of directors, shareholders, etc. in case of Corporate Clients.
- All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

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- Loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFs can be made and informed decision can be taken by the borrower. The loan application form shall indicate the documents required to be submitted along with the application form.
 - Documents Required for Loan Appraisal along with KYC Application Form are as follows:
 - Bank Statement for last six months.
 - Income Tax Return Acknowledgement of last return filed.
- Additional Documents required in case of Corporate Clients as follows:
- Balance Sheet of the Company for last two years.
 - Latest Shareholding Pattern of the Company and List of shareholders holding more than 5% of the Paid up Share Capital of the Company and identification for Beneficial Ownership List of Shareholders of any Body Corporate holding more than 25% of the Paid Up Share Capital of the company shall also be obtained.
- The company shall provide acknowledgement for receipt of all loan applications within one month. The application so received shall be considered after getting all the documents and shall be disposed off within one month.

Loan appraisal and terms/ conditions

- The Company shall convey in writing to the Borrower in the vernacular language as understood by the Borrower by way of a sanction letter or otherwise, the amount of loan sanctioned alongwith all the terms and conditions including annualized rate of interest and shall keep on record the acceptance of these terms and conditions by the borrower.
- Any clause relating to penal interest charged for late repayment shall be specified in bold in the Loan Sanction Letter.
- After obtaining complete details of the client, the Company shall arrange to process the application and decision shall be taken by the Board whether to grant or reject any loan and if granted on what terms.
- The Company shall furnish a copy of the Loan Sanction Letter preferably in the vernacular language as understood by the Borrower along with a copy each of any enclosures, if any mentioned in such letter to the borrowers at the time of sanction / disbursement of loans.

Disbursement of Loans Including Changes in Terms and Conditions

- The company shall give notice to the borrower the vernacular language as understood by the Borrower of any change in terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc.
- Any changes in interest rates and charges shall be effected only prospectively. The Loan Sanction Letter shall contain the necessary provisions in this regard.



- Decision to recall / accelerate payment shall be in consonance with the performance of the Borrower.
- The Company may provide loans to clients with or without security on the basis of financial strength of clients analysed through financial documents submitted by them or calling for any further information or market feedback.
- In case any loan has been sanctioned with stipulation of security, such security shall be released in full or in proportion to the repayment of dues or realization of outstanding amount of loan subject to any legitimate right or lien for any other claim NBFCs may have against borrower.
- In case such right or lien is to be exercised, the Borrower shall be given notice about the same with full particulars about remaining claims and conditions under which the company shall be entitled to retain the securities till the relevant claim is settled/paid.
- The company shall have the right to encash such securities upon failure of the client to follow the terms of settlement giving verbal information followed by letter in writing.

General

- The Company shall refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the Loan Sanction Letter (unless new information, not earlier disclosed by the Borrower, which may come to the notice of the company).
- In the matter of recovery of loans, the Company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans/dues, etc. The Company shall ensure that the staff is adequately trained to deal with clients in an appropriate manner.
- The terms and conditions of the contract / Loan Sanction Letter shall contain provisions regarding the final opportunity to be given to the borrower for repayment of loan.
- As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of loans by borrowers, the company shall not charge foreclosure charges / pre- payment penalties.

Rate of Interest

- The Company shall determine the interest rates and processing and other charges, if any, and also to ensure that they are not excessive. The Company shall, at the time of disbursement, ensure that the interest rate and other charges, if any, on loan and advances are in strict adherence to above referred internal principles and procedures.
- The Company shall disclose explicitly in the Loan Sanction Letter the rate of interest.



- The rate of interest shall be annualized and/or quarterly rates payable as per terms of sanction and the Company shall to make the borrower aware of the exact rates that would be charged to the account. No corporate loan shall be granted for more than 2 years and the company has to provide with yearly financial updates along with ITR filed and change in management and shareholding, if any. The lender has a right to recall the loan in case of change in management and control.

In case of revision of Interest rates prior intimation will be given to customer and the changes will be takes place on prospective basis only and not from retrospective effect.

Grievance Redressal Mechanism

- The Board of Directors shall lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard to ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed off at least at the next higher level.
- Borrowers and others who have grievances in respect of decisions of the Company's functionaries may address their grievances to Ms. Minakshi Gupta, Compliance Officer, at rfs1@rediffmail.com or call at (033) 2464 3717. The Company assures a response to letters / emails or calls received through this channel.
- The Company shall periodically review the compliance of the Fair Practice Code and the functioning of the grievances redressal mechanism at various level of management.
- A consolidated report of such reviews, if any, shall be submitted to the Board at regular intervals as may be prescribed by it.
- This Fair Practices Code shall be available on the website of Radiant Financial Services Limited - www.radiantfinancialservices.com, for the information of its Borrowers and various stakeholders. Any enhancement(s) or change(s) in the scope of this code shall be updated from time to time in future on the said website.

Mandatory display requirements

- The Company shall display at its office, the names and contact details of the Grievance Redressal Officer who shall be approached by the public for resolution of complaints against the company.
- In case customer complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS, RBI under whose jurisdiction the registered office of the NBFC falls. The complete contact details of such Officer shall also be displayed at the company's office.

Date: 26/10/2016

For Radiant Financial Services Ltd.


Managing Director