

Radiant Financial Services Limited

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/2012-13/416/DNBS. CC. PD No. 320/03.10.01/2012-13 dated 18th February, 2013.

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.
- 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 NBFCs 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 of Beneficial Ownership.
- The company shall provide acknowledgement for receipt of all loan applications. The acknowledgement includes the time frame within which loan applications will be disposed off.

Loan appraisal and terms/ conditions

- The Company shall convey in writing to the Borrower by way of a sanction letter or otherwise, the amount of limit 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 any loan and on what terms.
- The Company shall furnish a copy of the Loan Sanction Letter along with a copy each of all enclosures quoted 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 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.

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 the clients in an appropriate manner.
- The terms and conditions of the contract / Loan Sanction Letter shall contain provisions regarding the final chance to be given to the borrower for repayment of loan.

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 rates to make the borrower aware of the exact rates that would be charged to the account.

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 of 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 Mr. Surendra Singh, Compliance Officer, at rfs1@rediffmail.com. The Company assures a response to letters / emails 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.
- 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 uploaded from time to time in future on the said website.

Mandatory display requirements

- The Company shall display at its offices, the names and contact details of the Grievance Redressal Officer and the Officer-in-Charge of the Regional Office, DNBS, RBI.

Date: 11/03/2013