

FAIR PRACTICE CODE
CITICORP FINANCE INDIA LIMITED

OWNER: ALL BUSINESSES
SPOC: GOVERNANCE

CONTACT(s):
ALL BUSINESS HEADS
dl.citi.in.cfil.business.leads@citi.com

ISSUE DATE:
22ND SEPTEMBER, 2017

REVISED:
MARCH 2024

LAST APPROVED BY THE BOARD:
MARCH 2024 (7.0)
MARCH 2023 (6.0)
FEBRUARY 2022 (5.0)
FEBRUARY 2021 (4.0)
NOVEMBER 2020 (3.0)
NOVEMBER 2019 (2.0)
SEPTEMBER 2017(1.0)

VERSION: 7.0 6

TABLE OF CONTENTS

ERROR! BOOKMARK NOT DEFINED.

1	OVERVIEW	1
2	APPLICATIONS /REQUEST LETTER FOR LOANS AND THEIR PROCESSING	2
3	LOAN APPRAISAL AND TERMS & CONDITIONS	3
4	DISBURSEMENT OF LOANS, CHANGES IN TERMS AND CONDITIONS	4
5	GENERAL CONDITIONS	5
6	RESPONSIBILITY OF BOARD OF DIRECTORS	6
7	GRIEVANCE REDRESSAL MECHANISM	7
8	LANGUAGE AND MODE OF COMMUNICATING FAIR PRACTICES CODE	10
9	REGULATION AND COMPLAINTS OF EXCESSIVE INTEREST CHARGED BY NBFCs	11

1 OVERVIEW

Citicorp Finance (India) Limited (hereafter “CFIL”) in pursuance of the RBI directions, vide its communication, https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9823 dated July 1, 2015 issued by the RBI, around fair practices to be followed by Non-Banking Financial Companies (NBFCs), has formally adopted the guidelines for all its customer dealings.

CFIL is a registered ND-SI NBFC primarily engaged in the business of lending. The areas supported by CFIL primarily include Corporate Loans, Mid-Corporate Loans, , Strategic Equity Solutions (SES) – Margin Loans, Commercial Real Estate s, as well as a smaller trading book.

While fairness in all customer dealings is duly incorporated in CFIL processes and operational procedures, the Code is formally being documented under the above referenced guidelines/notification.

2 APPLICATIONS /REQUEST LETTER FOR LOANS AND THEIR PROCESSING

Corporate Loans

The terms and condition of the loan are mutually agreed between the borrower and CFIL and the acceptance of this proposal is communicated vide a request letter from the customer which contains interest rate applicable to the loan, loan amount and tenor of the loan, in case of floating rate of loan, reset frequency.

Mid- Corporate Loans

The terms of the loan are mutually agreed upon by the client and CFIL. Client provides request letter to CFIL. Request letter includes details of the Amount of Loan, Tenor, Maturity date, Rate of Interest, terms and conditions etc.

Strategic Equity Solutions (SES) – Margin Loans

Full disclosure of terms included in the duly signed agreement with the Customer.

Commercial Real Estate (CRE) Loans

CRE Loans are advanced mostly to corporate borrowers. The terms and condition of the loan are mutually agreed between the borrower and CFIL. Proposal is communicated through exchange of term sheet and receiving acknowledgement from the borrower. Term sheet captures CFIL's proposal with interest rate applicable to the loan, loan amount and tenor of the loan, in case of floating rate loans, benchmark to be used as well as reset frequency, and other indicative terms and conditions applicable for such loans.

3 LOAN APPRAISAL AND TERMS & CONDITIONS

Loan applications / request letter are assessed in accordance with CFIL's credit appraisal (risk based) process and program applicable.

Upon approval of the loan, a comprehensive agreement / a sanction letter indicating the amount of loan sanctioned, annualized rate of interest applicable, along with the terms and conditions, is executed and the copy of the same is subsequently sent to the borrower.

CFIL explains all main terms & conditions of the loan agreement i.e. loan amount, interest rate, installment/ amortization structure, tenor and other relevant terms on the CFIL's rights in the event of default to the borrower post sanction of the loan and at the time of executing a loan agreement.

Penal Charges are charged for late repayment as mentioned in the Loan / Facility Agreement

4 DISBURSEMENT OF LOANS, CHANGES IN TERMS AND CONDITIONS

Post disbursement of loan, a repayment schedule containing details of the loan, rate of interest, tenor, installment structure, interest - principal breakup and other applicable charges is sent to the all borrower.

A copy of the loan agreement is sent to the borrower prior/ post loan booking/authorization, as the case maybe.

Events of default under which the loan may be recalled or payment accelerated are provided in detail in the Loan agreement under the specific section.

CFIL will release all securities to the borrowers on receiving complete re-payment of the loan outstanding and on completion of all other obligations under the loan agreement. However, CFIL shall have the right to retain such securities, subject to any legitimate right or lien for any other claim we may have against borrowers on other loan/ credit facilities availed by such borrowers from CFIL.

*If such a right of set off is to be exercised by CFIL, borrowers shall be given prior written notice about the same with full particulars about the remaining claims and the documents under which we are entitled to retain the securities till the relevant claim is settled/paid.

Strategic Equity Solutions (SES) – Margin Loans - In case of SES – Margin Loans, loans are offered at an agreed rate of interest. The interest rate is set basis mutual agreement with the customer.

5 GENERAL CONDITIONS

CFIL refrains from interference in the affairs of the borrower, except for the End Use monitoring and purposes provided in the terms and conditions of the loan sanction documents (unless new information, not earlier disclosed by the borrower, has come to the notice of CFIL).

In case of receipt of a written request from the borrower for transfer of the account (assignment of the loan), the consent or objection is duly conveyed within 21days. For Consumer loans as per the Company's practice, in no instance is a refusal to close the account ever made to the customer for commercial loans in case of any request based NOC from the Borrower, the same is issued or the reason of objection is shared with the borrower. For Corporate loans, Mid Segment loan and Strategic Equity Solutions (SES) – Margin Loans there are no cases where loan is transferred.

In the matter of recovery of loans especially where third party recovery agents are engaged. CFIL follows the measures as per the laid down Code of Conduct for debt collection and the regulatory guidelines in this regard.

The staff are adequately trained to deal with the customers in an appropriate manner.

Foreclosure charges/pre-payment penalties are not charged for floating rate loans sanctioned to individual borrowers. Foreclosure charges/pre-payment penalties are not charged for floating rate loans prepaid on the interest reset date for corporate borrowers, unless specifically agreed with such Borrower and documented as part of the sanction letter/ facility agreement.

6 RESPONSIBILITY OF BOARD OF DIRECTORS

The Board of CFIL has laid down the appropriate grievance redress mechanism within the organization to resolve disputes arising in this regard. Different escalation levels have been put in place to ensure a robust complaint handling process such that the complaints are disposed of at least at the next higher level in case the borrower is dissatisfied with the resolution provided.

7 GRIEVANCE REDRESSAL MECHANISM

At CFIL, we aim to provide our customers with the best Customer Service and have consistently invested in infrastructure, people, processes and training to set up a robust and efficient customer service platform, the standard SLA for resolving a complaint is 15 business days.

The details of our Contact channels, Escalation channels and details of the ombudsman appointed by RBI are provided below.

Note: while ABF and Consumer portfolios have been divested as part of the 2023 Consumer Sale, the details are mentioned below as part of servicing obligations

Contact channels

Following are the Contact channels available for customer to approach us for various products:

Asset Backed Finance - Commercial Vehicles and Construction Equipment

Helpline: Customers can call us at our centralized helpline toll free no. 1800-26-70-124.

Timing: Monday - Friday (10.00 AM - 06.00 PM)

E-mail: Send an E-mail to wecare.cfil.india@citi.com

Mail: Write in to us at: Customer Service, , Citicorp Finance (India) Limited.First International Financial Centre,Plot Nos C-54 and C-55,G-Block, Bandra Kurla Complex,Bandra East, Mumbai - 400 051.

Website: www.citicorpfinance.co.in

Consumer Loans (Home Equity, Home Loan, Personal Loans, Consumer Durable, Two-Wheeler and Auto Loan)

Helpline: Customers can call us at our centralized helpline toll free no. 1800-11-99-49 (Toll Free-MTNL, BSNL Airtel, Reliance, TATA, Idea, Vodafone & Aircel users) or at 39001111.Timing: Monday - Friday (9.00 AM - 06.00 PM)

E-mail: Send an E-mail to wecare@citi.com

Mail: **Write in to us at:** Customer Service, Citicorp Finance (India) Limited.First International Financial Centre, Plot Nos C-54 and C-55,G-Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051.

Website: www.citicorpfinance.co.in

Corporate Loans, Mid-Corporate Loans , Strategic Equity Solutions (SES) –

Citicorp Finance (India) Limited

Margin Loans , Commercial Real Estate Loans

Customers may please get in touch with their respective Relationship Managers as and when required.

Grievance Redress Mechanism / Escalation Channels

If the borrower is not satisfied with the response received from the above-mentioned Contacts, he/she may contact or write to us at the following escalation channels. These Officers may be reached in their offices during 10.00 am to 06.00 pm on Monday to Friday.

Details for escalation of Customer grievance are as follows:

Level One

If the borrower is not satisfied with the response received from his/her contact in CFIL, he or she may raise the issue with Principal Nodal Officer whose address and contact details are as furnished below.

Mr. Arjun Swarup
Citicorp Finance (India) Limited.
First International Financial Centre,
Plot Nos C-54 and C-55,
G-Block, Bandra Kurla Complex,
Bandra East, Mumbai - 400 051.
Phone: +91-22-6175-6848
Cfil.principal.nodal.officer@citi.com

Level Two

If the borrower is not satisfied with the response at the first level, he or she may raise the grievance with Managing Director whose contact details are as furnished below.

Email: managingdirector.CFI@citi.com

CFIL shall endeavor to respond to each complaint within one month from the date of receipt of the complaint.

Escalation to Ombudsman / NBFCO Appointed by Reserve Bank of India

Citicorp Finance (India) Limited

In case the complaint is not redressed within a period of one month or if the Complainant is dissatisfied with the response given, he/she may write to the Ombudsman appointed by Reserve Bank of India under Integrated Ombudsman Scheme 2021. The details of the Ombudsman scheme are displayed on the branch notice boards. Our staff shall explain the procedure in this regard.

Additionally, the detailed Ombudsman Scheme is available on our website:

<https://www.citicorpfinance.co.in/CFIL/pdf/Ombudaman/Ombudaman-Scheme.pdf>

<https://www.citicorpfinance.co.in/CFIL/pdf/Ombudaman/Appendix-A-English.pdf>

Contact details of the Principal Nodal Officer (PNO), Ombudsman's Centralized Receipt and Processing Centre (CRPC) and Complaint Form:

<https://www.citicorpfinance.co.in/CFIL/Annex-I and II.pdf>

If the Customer is not satisfied with decision of Ombudsman, the Appellate

Authority is: The Executive Director-in charge of Consumer Education and Protection Department of RBI.

Refer to www.rbi.org.in for further details of the Scheme

8 LANGUAGE AND MODE OF COMMUNICATING FAIR PRACTICES CODE

The Fair Practice Code has been placed in vernacular languages at CFIL locations and on the website of CFIL www.citicorpfinance.co.in

9 REGULATION AND COMPLAINTS OF EXCESSIVE INTEREST CHARGED BY NBFCs

Corporate Loans, Mid-Corporate Loans and CRE Loans

Interest is payable by the borrower in line with the clauses mentioned in the agreement. Further, rate of interest is mentioned in the Drawdown request letter. In case of floating rate loans the Benchmark used to reset the interest and periodicity of interest reset is also disclosed to the Borrower as part of the Facility Agreement.

Penal Charges are levied for overdue / delay / default in repayments, prepayment of loans, default in sanctioned terms & conditions. The quantum and reason for penal charges as documented in this policy shall be clearly disclosed to the customers in the loan agreement or sanction letter, as applicable, in addition to being displayed on CFIL's website. Any change in CFIL's policy (on account of change in regulation or otherwise) will be communicated to the borrower and the same will be applicable from the date of issue of such revised policy by CFIL.

There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. Further, Penal charges, along with interest and principal to be included for SMA reporting

Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated

The penal charges will be computed as:

(i) On account of prepayment the Penal charges may be charged subject to prepayment made within a mutually agreed lock in period (if any) and which would be disclosed to the borrower as well as documented as part of the facility agreement

(ii) Up to 2% per annum on the prepaid amount in case of loan prepayment (for the period computed as difference between the date of prepayment to the maturity date or next reset date whichever is earlier). However, in respect of Facilities with floating rate interest, no such charges will be payable if a prepayment of such Facility is made on an Interest Reset Date (Subject to the applicable Lock-in as agreed with the Borrower under the Facility Agreement).

(iii) Up to 2% per annum on the outstanding amount of the loan at the time of overdue / default/ delay in repayment. (for the period during which the loan stays in default).

In addition to the above charges, the Borrower shall also be liable for all costs, charges and expenses which the CFIL may pay or incur in any way resulting from the default.

Penal charge levied due to overdue / delay / default in repayment & Pre-payment penalty waiver decision is purely basis the relationship we have with our client.

The following factors will be considered:

1. Operational difficulties of the borrower

Citicorp Finance (India) Limited

2. Relationship with the borrower basis vintage
3. Relationship basis client priority
4. Relationship basis other cross sell opportunities on the client.

Any waiver of the penal charge or any changes to the above rates/ charges will be recommended by the Product/Business Lead and approved by any 2 members of the credit committee. This applies to all types of penal charges.

The requirements in this proviso are applicable for all the fresh loans facility/agreement which are executed/ renewed from Apr 1, 2024. In the case of existing loans, the switchover to new penal charges regime will need to be ensured on the next review/ renewal date falling on or after April 1, 2024, but not later than June 30, 2024.

Strategic Equity Solutions (SES) – Margin Loans

Interest is payable by the borrower in line with the clauses mentioned in the agreement. Further, the rate of interest is typically mentioned in the drawdown request letter sent by the borrower to CFIL.

Penal charges may be levied in case of any unpaid sum, being any sum due and payable by a loan obligor but unpaid under the loan's legal agreements. The quantum and reason for penal charges, as documented in this policy, shall be clearly disclosed to the customers in the loan agreement in addition to being displayed on CFIL's website. Any change in CFIL's policy (on account of change in regulation or otherwise) will be communicated to the borrower and will be applicable from the date of issue of such revised policy by CFIL, or the date specified in the communication from CFIL to the borrower (as applicable).

Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason for such charges shall also be communicated.

The penal charges will be computed as:

- Up to 2% per annum on any sum (whether in respect of interest, fees, costs, or otherwise) which the Borrower fails to pay when due may, at the discretion of the Lender. To clarify - penal charges can be levied only on the amount which is due and unpaid by the borrower and not on the entire outstanding amount of the relevant loan (unless the entire outstanding amount itself is due and payable). For example, if only the interest amount is due and unpaid, penal charges can be levied in respect of the interest amount only and not the entire loan amount. There will be no capitalization of penal charges i.e., no further interest computed on such charges.

In addition to the above charges, the Borrower shall also be liable for all costs, charges and expenses which the CFIL may pay or incur in any way resulting from the default.

Citicorp Finance (India) Limited

Any decision to waive of penal charges would be considered on a case-by-case basis.

The following factors will be considered, amongst others:

1. Operational difficulties of the borrower
2. Relationship with the borrower and potential business opportunities arising from the relationship
3. Materiality of the unpaid sum

Any waiver of the penal charge or any changes to the above rates/ charges will be recommended by the Product/Business Lead and approved by any 2 members of the credit committee. This applies to all types of penal charges.

Further, Penal charges, along with interest and principal to be included for SMA reporting.

The requirements in this policy are applicable for all the fresh loans facility/agreement which are executed/ renewed from Apr 1, 2024. In the case of existing loans, the switchover to the new penal charges regime will need to be ensured on the next review/ renewal date falling on or after April 1, 2024, but not later than June 30, 2024.