

Introduction (FAIR PRACTICE CODE)

Citra Financials Private Limited (“the Company”) is a Non-Deposit Taking Non-Banking Finance Company registered with Reserve Bank of India (“RBI”). The Company is presently in the business of providing short term loans and advances

The Company has put in place the Fair Practices Code (“FPC” or “Code”) in conformity with the Guidelines on Fair Practices Code for NBFCs as contained in the Chapter V of Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and has been duly approved by the Board of Directors. The FPC sets out the principles for fair practices, transparency & adequate disclosures while dealing with its customers.

The commitments outlined in this FPC adopted by the Company are applicable under normal operating environment; however, under situations beyond the control of the Company, it may not be possible for us to fulfill the commitments made thereunder.

This FPC applies to all categories of product and services offered by the Company.

OBJECTIVE OF CODE

The objectives of this FPC are following:

- ✓ To promote good practices and ensure good practices in dealing with customers.
- ✓ To promote a fair relationship between the customer and Company.
- ✓ To ensure compliance with legal norms in matters relating to recovery of advances.
- ✓ To strengthen mechanisms for redressal of customer grievances.

KEY COMMITMENTS

The Company's key commitments to customers:

Act fairly and reasonably in all their dealings with customers by:

- ✓ Meeting the commitments and standards specified in the Code, for the products and services which the Company offers and in the procedures and practices its staff follows;
 - ✓ Making sure that Company's products and services meet relevant laws and regulations applicable to it;
 - ✓ Company's dealings with customers will rest on ethical principles of integrity and transparency
- ✓ Help customers understand how a company's product works by explaining their financial implications.
 - ✓ Deal quickly and sympathetically with things that go wrong by:
 - ✓ Correcting mistakes.
 - ✓ Handling customer's complaints.
 - ✓ Telling customers' how to take their complaint forward if they are still not satisfied.
 - ✓ Publicize the Code, put it on the Company's website and have copies available for customers on request.

APPLICATIONS FOR LOAN & THEIR PROCESSING

The Company offers/proposes to offer various financial products in the personal loan category through mobile and/or web-based platforms.

- ✓ The Company shall convey all communications to the borrower in the vernacular language or a language as understood by the borrower.
- ✓ Loan application forms (physical or digital) of the Company 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 decisions can be taken by the borrower.
- ✓ The loan application form shall indicate the documents required to be submitted/uploaded with the application form.
- ✓ The Company shall provide or send, to the prospective borrower an acknowledgement of receipt of loan application after receipt of the complete information as per the standard application format in the mobile and / or web-based platform itself. An indicative time frame within which loan application shall be disposed-off would be mentioned in such acknowledgement.
- ✓ Loan applications complete in all respects shall be processed within a reasonable time frame. In case the proposal is not approved by the Company, the borrower is intimated accordingly about the rejection of the loan.

LOAN APPRAISAL AND TERMS & CONDITIONS

- ✓ The Company will ensure that there is a proper assessment of loan applications made by borrowers. The assessment would be in line with the Company's credit policies and procedures.
- ✓ The Company shall convey in writing to the borrower in the vernacular language or a language as understood by the borrower by means of sanction letter and/or sanction mail or otherwise (i.e on mobile and / or web-based platform), the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keeps the acceptance of these terms and conditions by the borrower on its record.
- ✓ The Company shall mention the penal interest charged for late repayment in bold in any of the documents namely "loan agreement / transaction documents / sanction letter

and/or mail communication sent for this purpose/ Mobile application/ Charges section on the Company & products' websites". The Company shall make available information related to interest rates and other charges (late payment or otherwise) on the website also.

- ✓ The Company's digital platform and risk assessment model requires digital acceptance of all terms and conditions of the loan. It includes Digital signing or Aadhaar based OTP authentication (if applicable) or Click Wrap or clickthrough acceptance on loan agreement and/or terms & conditions.
- ✓ The terms and conditions of the respective financial product of the Company shall be applicable for all borrowers without discrimination.

DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- ✓ The Company gives notice to the active borrower having outstanding loans with the Company in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard will be incorporated in the loan agreement.
- ✓ Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.
- ✓ The borrower shall enter into an agreement with the Company by providing consent via click wrap / Digital signature / Electronic signature etc, to all standard and specific terms and conditions before seeking disbursement.

GENERAL

- ✓ The Company will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement or as consented by customer on the terms and conditions as part of onboarding & disbursement process on mobile applications (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- ✓ In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the Company, if any, will be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- ✓ In the matter of recovery of loans, the Company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. To avoid rude behavior from the staff of the Company, we shall ensure training is provided on code of conduct to deal with the customers in an appropriate manner.
- ✓ The Company shall not charge foreclosure charges/ pre-payment penalties on floating rate term loans sanctioned to individual borrowers.
- ✓ The Company shall charge interest rate, processing fees or other charges in accordance with the Company's loan policy only.

- ✓ There shall be no discrimination in extending loans and other financial products to the physically/visually challenged applicants on grounds of disability subject to the eligibility criteria as per Company's credit policy.

GRIEVANCE REDRESSAL MECHANISM

- ✓ The Company shall lay down the appropriate Grievance Redressal Mechanism within the organization. Such a mechanism should ensure that all disputes arising out of the decisions of Company's institutions' functionaries are heard and disposed off at least at the next higher level.
- ✓ The Board of Directors should also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the Grievances Redressal Mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.
- ✓ The Company shall also guide customers who wish to lodge a complaint and also provide guidance on what to do in case the Customer is unhappy with the outcome.
- ✓ The following information / public notice shall be displayed prominently and also on website, for the benefit of the customers, at all branches/ places of the Company, where business is transacted:
 - ✓ The name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer and Nodal Officer, who can be approached for resolution of complaints against the Company.
 - ✓ If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the General Manager of DoS of RBI, New Delhi.

The public notice will serve the purpose of highlighting to the customers, the Grievance Redressal Mechanism followed by the Company, together with details of the Grievance Redressal Officer and Nodal Officer and of the DOS Office of the RBI.

INTEREST RATE MODEL AND OTHER CHARGES

- ✓ Interest rate model and other charges for each finance product category shall be adopted taking into account relevant factors such as cost of equity, cost of borrowed funds, margin, credit risk, opex cost, industry trend, risk associated with the approval of the Board.
- ✓ The rate of interest and the approach for gradation of risk and rationale for different rates of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application and/or website and communicated explicitly in the loan sanction letter / communication.

- ✓ The Company shall make available information related to interest rates and other charges (including late payment or otherwise) and the approach of risk on its website also.
- ✓ The rate of interest should be an annualized rate so as to make the borrower aware of the exact rates that would be charged to the account.

REVIEW

The Board of Director reserves the right to review the Fair Practice Code from time to time and to carry out necessary changes, accordingly as and when required.

The Company will abide by all guidelines, directive, instructions and advice of Reserve Bank of India as will be in force from time to time. The content in this document shall be read in conjunction with these guidelines, directives, instructions and advice. The Company will apply better practice so long as such practice does not conflict with or violate Reserve Bank of India regulations.