



## **FAIR PRACTICES CODE**

### **Introduction:**

Cicago Finance Private Limited (hereinafter referred to as “Cicago” or “the Company”) is a private limited company incorporated under the provisions of the Companies Act, 2013 and is a Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company, registered with the Reserve Bank of India.

Cicago is engaged in the business of extending loans to entrepreneurs engaged in micro, small and medium enterprises with limited access to formal financial services.

This Code has been formulated by pursuant to the Guidelines issued by the Reserve Bank of India on Fair Practices Code for Non-Banking Financial Companies vide its Master Circular bearing No.RBI/2014-15/34 DNBS (PD) CC No.388/03.10.042/2014-15 dated 1st July 2014, wherein Reserve Bank of India (RBI) has summarized the guidelines on Fair Practices Code for NBFCs and in accordance with the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

This sets minimum Fair Practice standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day to day basis.

This policy applies to all customers including those with any complaints / enquiries as posted on social / any other media and we encourage all customers to reach out to the below platforms as required.

This Policy is displayed on the website of the Company for the information of the public.

### **Objective:**

The code has been developed with an objective of:

- Ensuring fair practices while dealing with customers by developing, training and implementation of Fair practices code
- Greater transparency enabling customers in having a better understanding of the product and taking informed decisions
- Building customer confidence in the company through a mechanism for constantly receiving feedback/grievances from customers.

### **Operating Guidelines:**

#### **A) Applications for Loans and their processing**

- Cicago official language for all communications within the Company or with third parties shall be English.



- All communications to the borrower shall be in English or in vernacular language / the language as understood and confirmed by the borrower.
- The Company offers financial product of short and medium term financing with or without the security of residential or commercial or vacant land property or any other adequate security primarily to the small and medium enterprises engaged in the business of manufacturing, services and agriculture, self-employed professionals , salaried employees, traders, retailers, businessmen, agents, distributors, companies, corporate and individuals for their requirement relating to expansion of business, working capital needs and or personal needs.
- The 'Application Form with checklist of documents' of Cicago will include all information and documents that is required to be submitted by the Borrower. Necessary information will be provided by Cicago to facilitate the Borrower in making a meaningful comparison with similar terms and conditions offered by other Non-Banking Finance Companies (NBFCs) and taking an informed decision based on the aforesaid comparison.
- The 'Application Form with checklist of documents' of Cicago may also indicate the list of documents required to be submitted by the Borrowers along with the Application form.
- Cicago has a mechanism of giving an acknowledgement for receipt of Application form to its Borrower for availing loans. Cicago would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information and documents.

#### **B) Loan appraisal and terms/ conditions**

- Cicago shall convey in writing to the borrower in English or in vernacular language / the language as understood and confirmed by the borrower, by way of a sanction letter or otherwise, the amount of loan / limit sanctioned along with all the terms and conditions including annualized rate of interest and method of application thereof and shall keep the acceptance of these terms and conditions by the borrower on Cicago's record.
- Any clause relating to penal interest charged for late repayment will be specified in bold in the Loan Agreement.
- Cicago at the time of sanction / disbursements of loans will furnish a copy of loan agreement to the borrower.
- Cicago ensures to convey and explain in detail all the terms and conditions of Sanction letter, agreement etc., in the language preferred by the customer.

#### **C) Disbursement of loans including changes in terms and conditions.**

- Through its published website or as appropriate if specific to a customer, Cicago will give Notice to its Borrower(s), of any change in the terms and conditions of the sanction. Cicago will also ensure that changes in interest rates, fees and charges are affected only prospectively.



- Decision to recall/ accelerate payment or performance under the Agreement will be in consonance with the respective loan Agreement.
- Cicago will release all securities of its Borrower only on repayment of all dues by such Borrower, or only on realization of the outstanding amount of the Borrower's availed limit, subject to any legitimate right or lien for any other claim which Cicago may have against its Borrower. If such right of set off is to be exercised, the Borrower will be given notice about the same with full particulars about the remaining claims and conditions under which Cicago will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower. Due No- objection certificate will be issued to the customer on fulfillment of said terms within 15 workings days of completion of formalities.

### **General:**

- Cicago will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of Cicago).
- In case of receipt of request from the Borrower for transfer of Borrowal account, the consent or otherwise i.e. objection of Cicago, if any, is generally conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.
- In the matter of recovery of outstanding dues of its Borrower, Cicago does not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans/dues, etc. Training will be imparted to ensure that staff is adequately trained to deal with customers in an appropriate manner.
- At present, the company does not have floating rate term loans, if the company introduces such a product in the future, the company as a policy shall not charge foreclosure charges/pre-payment penalties on the floating rate term loans sanctioned to its individual borrowers.
- Pursuant to notification no. DNBS.204/CGM (ASR)-2009 dated 2 January 2009 in respect to regulation of excessive interest charged by NBFCs, Cicago has adopted an Interest Rate Policy taking into account relevant factors such as cost of funds, margin and risk premium, etc. to determine the rate of interest to be charged for loans and advances. The Interest Rate Policy also covers the rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers and same is displayed on the website of the Company, [www.Cicagofin.in](http://www.Cicagofin.in)

### **Grievance Redressal Mechanism:**

In the present competitive scenario, excellent customer service is an important tool for sustained business growth. Customer complaints are part of the business life in any corporate entity.

At Cicago, customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. Cicago has come up with a lot of initiatives that are oriented towards providing a better customer experience



and an efficient complaints redressal mechanism with a view to providing enhanced experience to our customers.

In order to make Cicago's redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given framework of rules and regulation.

#### **Grievance redressal framework for handling customer complaints / grievances:**

##### **A) Stage 1 – Grievance Redressal at Branch level**

The customer may register his/her query/ complaint to Cicago which shall be addressed by the Branch Manager by email or through phone. The customer can also personally visit the branch office and make the complaint in writing to the Branch Manager in the complaint register available in the branch. On registering the complaint customer shall be provided a Reference number for the complaint lodged with Cicago for future correspondence.

##### **B) Stage 2 - Grievance redressal framework at Head Office**

If the customer is not satisfied with resolution provided by the local branch office, the customer may provide feedback or send in their complaint using the following channels between **9:00 am and 5.00 pm, from Monday to Friday (except on national holidays)**

- Call our Customer Care Helpline on 18005995500 (Toll Free)
- Email us at [customercare@Cicagofin.in](mailto:customercare@Cicagofin.in)
- Write to us at the below mentioned address:

**CUSTOMER CARE DEPARTMENT  
CICAGO FINANCE PRIVATE LIMITED  
SKCL CENTRAL SQUARE 1, SOUTH WING, UNIT # C28 - C35, 1<sup>ST</sup> FLOOR,  
CIPET ROAD, THIRU VI KA INDUSTRIAL ESTATE, GUINDY, CHENNAI- 32**

##### **C) Stage 3 - Escalation**

In case the complaint is not resolved within the given time or if the customer is not satisfied with the solution provided, the customer can approach the Complaints Redressal Officer.

The name and contact details of the Complaint Redressal Officer is as follows:

**MR. J. PRAKASH RAYEN  
CICAGO FINANCE PRIVATE LIMITED  
SKCL CENTRAL SQUARE 1, SOUTH WING, UNIT # C28 - C35, 1<sup>ST</sup> FLOOR,  
CIPET ROAD, THIRU VI KA INDUSTRIAL ESTATE, GUINDY, CHENNAI- 32  
Email id –[headcustomercare@Cicagofin.in](mailto:headcustomercare@Cicagofin.in)**

We assure a response to letters / emails received through this channel within 5 working days at every stage. If the complaint/dispute is not redressed within a period of one month, the customer may appeal to Officer-in-Charge of the Regional Office of Department of Non Banking Supervision of



RBI under whose jurisdiction the Registered Office of the Cicago falls. The details of DNBS are as given below General Manager, Department of Non-Banking Supervision, Reserve Bank of India, Fort Glacis, Chennai.

#### **D) Mandatory display requirements**

Cicago has the following in all our Regional Offices and branches:

- Fair Practices Code
- Appropriate arrangement for receiving complaints and suggestions.
- Display of the name, address and contact number of the Complaint Redressal Officer. The process of the complaints redressal unit will ensure closure of all complaints to the customers' satisfaction.

They will ensure that the complaint is escalated to the appropriate levels in case it is not possible to resolve at his/her level. Whilst the ultimate endeavor is to ensure we reach a situation where our customers don't have to complain to senior management to get an effective redressal, we have put in a robust mechanism to handle these complaints, review them from a point of view of understanding reasons for the complaint and for the escalation and working on prevention of recurrence thereof.

#### **E) Time frame**

To register complaints, the customers may use any of the channels mentioned above (refer point (a) on Internal Machinery to handle the customer complaints). If the complaint has been received in writing, Cicago will endeavor to send an acknowledgement / response within a week. Once the matter is examined, Cicago endeavours to either send a final response to the customer or an intimation seeking more time within one month upon receipt of complaint.

Complaints that are received at our end will be seen in the right perspective and would be analyzed from all possible angles.

The communication of Cicago's stand on any issue will be provided to the customers. Complaints that require some time for examination of issues involved will be acknowledged promptly.

The aforesaid policy will be reviewed periodically /revised as and when there are any new changes incorporated by Cicago in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.

#### **Regulation of Excessive Interest Charged:**

The Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.

The Company has adopted an interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged for loans and advances.



The rate of interest to be charged depends much upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower etc.

The rate of interest will be annualized so that the borrower is aware of the exact rates that would be charged to the account.

The Fair Practices Code has been reviewed and adopted by the Board of Directors on 31<sup>st</sup> October 2018 and shall come into force with immediate effect.