

Ref. No. CP/Citifinancial-Naik/06-06/001

June 19, 2006

CitiFinancial Consumer Finance India Ltd.,
45/47, Mint Chambers, Mint Road,
opp. GPO, Fort, Mumbai 400001

Without Prejudice

Dear Sirs,

YOUR LOAN A/C NO. 4512186 – MR. SHRIKRISHNA GOVIND NAIK
Ref.: Your letter no.: SQ/O/4512186/170506/2598 dt. 17-05-06

1. We refer to the meeting your Ms. Vaibhavi Vazkar, Branch Manager - Personal Loans & Ms. Pamela D'Souza, Divisional Manager – Consumer Business had with the undersigned at our office in April-2006, in connection with the complaint of exploitation by Citifinancial, received by us from Mr. Naik.
2. We have also received copy of your letter dt.17-05-06 to Mr. Naik, wherein you have demanded a sum of Rs. 13,648/- for foreclosure, as on 27-04-06, This amount demanded by you now is in addition to a sum of Rs.11,644.61, already received by you from Mr. Naik towards repayment of the loan amount of Rs. 15,035/-, actually paid by you to Mr. Naik.
3. a) **From the complaint received & documents provided to us by Mr. Naik and in particular, your Account Repayment Statement dt. 01-11-04 & STAT Card as on 11-02-06, we have calculated the rate of interest, which ranges between 52 & 57 % p.a. except for the first instalment due on 05-12-04, wherein it works out to about 38 % p.a.**
b) The above calculation is based on the loan amount of Rs. **16,774.69**, as shown by you eventhough the actual amount paid by you vide your cheque no. 139888 and credited to Mr. Naik's a/c on 29-10-04 is Rs. **15,035/-**.
c) Thus, you have deducted a sum of Rs. 1,739.69 at the time of disbursing the loan and for which, no explanation is provided. Further, you have confirmed in the STAT Card that a sum of Rs. 11,644.61 is received by you from Mr. Naik, as instalment amount paid.

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Co-ordinator: समन्वयक
Kewal Semrani केवल सेमलानी

[] 52, Jolly Maker Chambers, 2, Post-Box 11688, Nariman Point, Mumbai- 400 021
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letter ref. no. cp/citifinancial-naik/06-06/001 dt.19-06-06 from *mahadhikar*, mumbai 21
to citifinancial consumer finance india ltd., mumbai 1

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- d) Mr. Naik has stated in his complaint that in response to advt. in 'Navakal' marathi daily by 'Mahalakshmi', he visited their office at Kirtikar Market, Dadar West and met the lady in-charge, who identified herself as Archana and explained his need for a personal loan required for eye surgery of his old mother. She assured him that she will get him the load from Citifinancial & took a cash payment of Rs. 250/- from Mr. Naik. She also made him fill some form & sign the same. She also took from him, a blank cheque of Rs. 1,500/-, bearing cheque no. 97191 of Bank of Maharashtra, Adarsh Nagar, Mumbai branch. Thereafter, she asked him to meet Ms. Pooja at Citifinancial office at the above address. Accordingly, he met Ms. Pooja at Citifinancial office and told her that he has been referred by Ms. Archana of Mahalakshmi. Ms. Pooja confirmed that she had received message from Archana & accordingly, got some forms filled & signed by Mr. Naik.
4. As desired, we have also confirmed to you that 3 ECS were returned on 11-03-05, 09-11-05 & 12-11-05 by Mr/ Naik's bankers: Bank of Maharashtra, Adarsh Nagar branch, Mumbai and no other returns, either of ECS or of cheque are shown in the records of Bank of Maharashtra vis-à-vis Shrikrishna Naik's a/c.
5. **From the facts above, this appears to be a case of exploitation of poor worker by Citifinancial, a multinational and that too in gross violation of the Bombay Money Lenders Act, 1946 & the Usurious Loans Act, 1918.**
6. In this connection, we have enclosed news-item appeared in Mumbai Mirror dt. 29-03-06 & captioned 'The dirty secret of the micro-finance industry'. The case of Mr. Naik is no different than the facts stated in the news item.
7. As a NGO involved in 'Right to Information' & 'Consumer Protection', we are seriously concerned at exploitation of the Indian poor by your MNC and hence, have decided to take this matter to its logical conclusion, to protect the Indian Consumer.
8. We will await your response to reach us on or before 10th July 2006, after which, we shall proceed further in the matter.

Thanking you,

Yours truly,

Kewal Semlani
Co-ordinator - MAHADHIKAR

Encl.: a/a - 1

c.c. **Mr. Sandeep Soni, Mg. Director**, Citifinancial Consumer Finance India Ltd., No. 3, Local Shopping Centre (LSC), Pushp Vihar, New Delhi-110062

Co-ordinator: समन्वयक [] 52, Jolly Maker Chambers, 2, Post-Box 11688, Nariman Point, Mumbai- 400 021
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