

| RESPONSE ON QUERIES RAISED BY PARTICIPANT   |
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| <p><b>Question:</b> Please clarify what do you mean by adding new buyers? Are there 26 more buyers? What would be the total number of buyers including these 26 buyers?</p>   |
| <p><b>Reply:</b> We have added 26 buyers during the last financial year and will keep adding buyers to grow our portfolio.</p>  |
| <p><b>Question:</b> Could you please clarify the statement &amp; reason for enhancing the exposure on the existing account? How many buyers comprise of this exposure? So based on the two statements Total exposure of INR 672 crs will include this INR 300 crs as well?</p>  |
| <p><b>Reply:</b> Depending upon the turnover and the invoices uploaded by the Buyer and the sellers connected to such Buyers and the demand for financing under TReDS, we enhance our exposure on such buyers based on our internal assessment. No, the total exposure of Rs 672 of newly added corporates does not include Rs 300 crore as it pertains to enhancement in existing limit.</p>   |
| <p><b>Question:</b> Could you please confirm the estimated insurable sales for the insurance program which would be part of the Trade credit policy as per this EOI.</p>  |
| <p><b>Reply :</b> This turnover of Rs. 11210.84 crores is inclusive of AA and AAA rated Buyers. However under this Insurance program, we intend to obtain insurance coverage on our existing and future portfolio of A and BBB rated Buyers. The total turnover on these A and BBB buyers during the Insurance period is expected to be minimum of Rs. 5000 crores as specified in the EOI.</p>   |
| <p><b>Question:</b> please explain the relationship among these three platform names. Who is responsible for conducting the KYC? If TReDS is responsible, is there any agreement between TReDS and CBI regarding this outsourced service?, and how are the invoices allocated across the three platforms? Additionally, can you confirm whether a buyer's limit can only be applied to one platform? How do we ensure transparency in the invoice allocation process?" Can 1 invoice be exclusive to one platform at a time or it can be available on all the three platforms simultaneously?</p>   |
| <p><b>Reply:</b> They are independent entities and are approved by RBI to operate the TReDS platforms. The Platforms onboard the buyers and sellers on their platforms. There exists an agreement between the Bank and the platforms. However, we carry out our own due diligence while taking our exposure on the Buyers on the TReDS platform. Yes, depending on the turnover in a particular platform, the entire limit approved by the Bank can be assigned to a single platform. <i>Invoices are uploaded on the TReDS platform by buyers or sellers depending on their factoring arrangement i.e. reverse factoring or factoring and on which TReDS platform they are on-boarded. The buyers or sellers can be on-boarded on all three TReDS platforms and the same invoice can be uploaded on all three TReDS platform. But once the bid on that invoice is accepted on one of the TReDS platform, that invoice gets automatically removed from other two platforms. All the three TReDS platforms work on Monetago (Block chain software) which restricts the multiple discounting of the invoices.</i></p> |
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| <b>Question: Please confirm if there is any form of agreement between either platform or CBI with the buyers.</b>  |
| <b>Reply:</b> We confirm that there exists an agreement between the platform and the Buyer. Similarly there exists an agreement between the Bank and the Platform for utilizing the platform.  |
| <b>Question: We are interested in covering the portfolio on a whole turnover basis and are not inclined to cover single invoice risks</b>  |
| <b>Reply:</b> We would want the Insurer to provide us with both the choices and not restrictive.   |
| <b>Question: please provide the details of the turnover and exposure split for both factoring and reverse factoring transactions. We are inclined to do only normal factoring transaction under this policy to begin with.</b>   |
| <b>Reply:</b> We are not acceptable to such a proposition.   |
| <b>Question: At the time of inception, we would require your confirmation that all the information provided is accurate/ correct.</b>  |
| <b>Reply:</b> We confirm that all the information provided in the EOI are accurate / correct.  |
| <b>Question: Please specify the nature of your factoring (Recourse on Seller or Non-Recourse)</b>  |
| <b>Reply:</b> Both Factoring and Reverse Factoring (Recourse on Buyer)   |
| <b>Question: What are the losses incurred over the past 4 years on the TReDS platform? (Please include reasons for default, number of losses, and the largest loss amount.)</b>  |
| <b>Reply:</b> One A/c with TReDS exposure of Rs. 3.73 lakhs has been defaulted in the year 2020 As Corporate declared insolvent, actual Losses are on Lower side.  |
| <b>Question: Please provide details of the current receivables outstanding on the TReDS platform</b>   |
| <b>Reply:</b> As on 27.11.2024, the outstanding is Rs. 2184.13 crores.   |
| <b>Question: Please explain the recovery process after a buyer defaults.</b>   |
| <b>Reply:</b> The Platform assists in follow up with the Buyer for recovery of the overdues. All the details and documents required for initiating recovery action under Sec. 25 of Payment and Settlement Act, 2007 is provided by the Platform to enable the Bank as NACH mandate is registered in favour of the Platform on behalf of the Bank. |
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| <b>Question: Will CBI take recovery or legal action directly with the corporate buyer?</b>  |
| <b>Reply:</b> Yes. The Bank would be initiating the action directly against the Buyer   |
| <b>Question: Does TReDS or CBI have any direct relationship with the buyers?</b>  |
| <b>Reply:</b> There is no direct relationship with the Buyer in many of the cases unless they have borrowings with the Bank for regular Limits.   |
| <b>Question: What are the purchase date and dispatch date for the transactions?</b>   |
| <b>Reply:</b> The entire transactions happen only based on the invoices uploaded on the platform  |
| <b>Question: Are there any Public buyers in India? Can we legally cover Public Buyer in India?</b>  |
| <b>Reply:</b> Public Buyers are allowed to participate in the TReDS System and all the participants of the TReDS are subject to the provisions of the Payment and Settlements Act 2007 under which the platform is authorized and hence can be proceeded against legally. The TReDS platform allows the Government Departments also to participate as a Buyer |
| <b>Question: Please share your credit management procedures</b>   |
| <b>Reply:</b> The question is general in nature. Above guidelines are available in the TReDS policy of the bank which is available at bank website.   |
| <b>Question: Please confirm the invoice will be “purchased” and “owned” by CBI? As per the process it is mentioned “Supplier assigns the receivable in favor of a financier through digitally signed Deed of Assignment (DOA)”</b>  |
| <b>Reply:</b> Once the invoice is financed by the Bank through bidding, the charge on the invoice is registered in favour of the Bank with CERSAI and hence the receivables are assigned in favour of the Bank until it’s extinguished.   |
| <b>Question: For each supplier, does CBI has a seller cap on each individual seller. Or “For each supplier, CBI can only fund maximum XX% of the Buyer’s limit and total invoice will not be over Buyer limit”—Which one is correct?</b>  |
| <b>Reply:</b> Yes. The Bank assigns a maximum of 30% of the limit sanctioned to the Buyer as the seller cap, except those of the PSUs.  |

**Question: The forecaster estimated sales for next 12 months, considering FY2023 was INR 11,210.84 crores**

**Reply:** Please refer the EOI – Our requirement is to cover only A and BBB rated corporates and expected turnover (amount wise) is Rs. 5000 crores (under A and BBB rated corporates).

**Question: The current buyer profile for the top 50 customers (with seller details) and capturing the exposure values**

**Reply:** Cannot be shared.

**Question: The details of bad debt losses in the portfolio would be considered NIL for FY 2023, however would need a similar confirmation for past 3 years**

**Reply:** The Bank has not incurred any bad debt losses during the last 3 Financial Years.

**Question: The details mentions no overdue, and would need a confirmation of no debt crossing SMA 0 / SMA 1**

**Reply:** We confirm that there are no debts crossing SMA 0 / SMA 1 as on date

**Question: The credit control process manual / document to establish the current guidelines of credit appraisals, capturing new customer evaluation and on-going monitoring activities**

**Reply:** The query is general in nature. Above guidelines are available in the TReDS policy of the bank which is available at bank website.