



# FAIR PRACTICE CODE AND GRIEVANCE REDRESSAL MECHANISM

**Bhanix Finance and Investment Limited**

| <b>Adopted/<br/>Amendment Date by<br/>Board</b> | <b>Reviewed by</b>    | <b>Approved<br/>by</b>        | <b>Version<br/>No.</b> | <b>Last<br/>Review<br/>Date</b> |
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## **FAIR PRACTICES CODE AND GRIEVANCE REDRESSAL MECHANISM**

### **1. INTRODUCTION**

The Fair Practices Code aims to provide to all those who will be associated with Bhanix Finance and Investment Limited ('BFIL' or 'the Company') with the information about the practices that BFIL follows in respect of the financial facilities, loans and services provided, which will facilitate its customers/borrowers to take informed decisions in respect of the financial facilities and services to be availed of by them. The Fair Practices Code will apply to any loan that BFIL may sanction and disburse.

BFIL has adopted the Fair Practices Code (the 'FPC') pursuant to Reserve Bank of India's ('RBI') Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 updated from time to time. The Company would update the FPC to conform with the standards that may be prescribed by the RBI from time to time. The Company would abide by this FPC following the spirit of the Code and applicability to its business.

The FPC has been approved by the Board of Directors of the Company and it will be disclosed on the Company's website.

### **2. KEY OBJECTIVES**

- a) The Company will conduct its business in accordance with prevailing rules and regulations and corporate governance principles.
- b) The Company's dealings with its customers will rest on the principles of fairness, transparency and honesty.
- c) The Company will assist its customers in understanding the broad features of its financial products and will provide them with key terms and conditions governing sanction of credit facilities.
- d) The Company will promote fair and cordial relations with its customers/borrowers.

### **3. DOCUMENTATION BY WAY OF ELECTRONIC/DIGITAL/APP BASED OR OTHER MEANS**

- a) All communication will be made in a language understood by the customers/borrowers or in a vernacular language, wherever required.
- b) The loan documentation set would, inter alia, include the broad features and the terms and conditions governing the loan so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and an informed decision can be taken by the customers /borrowers.
- c) The loan application form would indicate the documents required to be submitted by the borrower. It would also indicate the rate of interest that will be charged to different categories of borrowers.

- d) An acknowledgement would be provided for all loan applications received along with completed documents. The Company will indicate the approximate time frame within which the loan application will be processed post the submission of a completed loan application form and the borrowers will be informed about the status of their loan applications within reasonable time. In case of specific app-based/paperless loans provided, the Company would convey the details through email to the registered email address of the borrower.

#### **4. LOAN APPRAISAL AND TERMS & CONDITIONS**

- a) The loan applications would be subject to the Company's credit appraisal process and a due diligence on the creditworthiness of the customers/borrowers, which will form an important parameter for taking a decision on a loan application.
- b) BFIL would convey in writing to the customers/borrowers by means of a sanction letter, the amount of loan sanctioned along with the terms and conditions including the annualized rate of interest and method of application thereof. In case of specific app-based/paperless loans provided, the Company would convey the details mentioned above through email to the registered email address of the borrower.
- c) BFIL would keep on its record the acceptance by the customers/borrowers of the terms and conditions governing the sanction of the loan. In case of app-based/paperless loans, a request by the borrower to disburse the sanctioned loan amount or part thereof would be deemed to be acceptance by the borrower of the terms and conditions governing sanction of loan.
- d) At the time of sanction/disbursement of loans, BFIL would furnish to all customers/borrowers a copy of the loan agreement / terms and conditions (if any) along with a copy of all enclosures mentioned in the loan agreement.
- e) The loan agreement shall expressly stipulate the penal interest chargeable for late payment / repayment of dues by the borrower, in bold.

#### **5. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS**

- a) BFIL would frame internal guidelines and procedures for determining and ensuring that the interest rates and processing and other charges levied on the borrowers are not excessive.
- b) The disbursement will be initiated upon compliance with all the terms and conditions of sanction of loan by the customers/borrowers. BFIL would give notice to the customers/borrowers in the vernacular language or a language as understood by the customers/borrowers of any change to the terms and conditions, including the disbursement schedule, interest rates, service charges, pre-payment charges, etc.
- c) Changes in the interest rates and other charges would be effected prospectively other than under circumstances arising from regulatory instructions.
- d) The decision to recall/accelerate payment or performance under the agreement would be in consonance with the terms and conditions of the loan agreement.

## 6. RELEASE OF SECURITIES

BFIL would release securities (if any) lying with it on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim that BFIL may have against the customers/borrowers. If such right of set off is to be exercised, the customers/borrowers would be given notice about the aforesaid with full particulars about the remaining claims and the conditions under which BFIL is entitled to retain the securities till the relevant claim is settled/paid.

## 7. GENERAL

- a) The Company would refrain from interference in the affairs of the customers/borrowers, except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the customers/borrowers has come to the notice of the Company).
- b) In case of a request from the borrower for transfer of the loan account to another NBFC, bank or financial institution, the Company would convey its decision within 21 days from the date of receipt of request. Such transfer would be in accordance with the contractual terms entered into with the borrower and in consonance with law.
- c) In the matter of recovery of loans, BFIL would not resort to undue harassment, i.e. persistently bothering the borrower at odd hours, using muscle power for recovery of loans, etc. The Company would ensure that its employees / recovery agent(s) are properly trained to deal with customers in an appropriate manner.
- d) The Company may arrange to enforce the security provided, if any, by delinquent customers/borrowers. In all such instances, the Company would ensure that the entire process of enforcing its security, valuation and realization thereof is fair and transparent.
- e) **Cooling off/look-up period** means the time window which shall be given to borrowers for exiting digital loans, in case a borrower decides not to continue with the loan.

The Cooling off/look up shall be three days for loans having tenor of seven days or more and one day for loans having tenor of less than seven days. For borrowers continuing with the loan even after look-up period, pre-payment shall continue to be allowed as per extant RBI guidelines.

The Company will give option to borrower to exit digital loan by paying principal and proportionate Annual Percentage Rate (APR) without any penalty during Cooling off/look up period.

## 8. INTEREST RATE

- a) The Company would lay down appropriate internal guidelines and procedures for determining interest rates and processing and other charges, keeping in view the guidelines indicated in the Fair Practices Code.
- b) The Company will ensure that it does not unduly charge excessive interest rates to its borrowers. The interest rate for its customers/borrowers would be arrived at taking into account the broad parameters such as the risk profile of the customers/borrowers, interest rate trends prevailing in the money market, cost of borrowings, primary and collateral security offered by customers/borrowers, structure of the deal, interest rate charged by competitors and the historical track record of the customers/borrowers with BFIL.



- c) Interest rates would be intimated to the customers/borrowers at the time of sanction / availing of the loan. The rate of interest would be annualized so that the borrower is aware of the exact rates that would be charged to the account.
- d) The Company would not charge foreclosure charges / pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

## **9. GRIEVANCE REDRESSAL MECHANISM**

- a) At present, there is a competitive lending business; hence, excellent customer service is an important tool for sustained business growth.
- b) At BFIL, customer service and satisfaction are the prime areas of focus. The company believes that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. BFIL has come up with a lot of initiatives that are oriented towards providing a better customer experience and an efficient grievance redressal mechanism with a view to providing an enhanced experience to customers. In order to make the Company's grievance redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the grievance redressal sought is just and fair and is within the given framework of rules and regulations.

**The following is the Grievance Redressal Mechanism for customers:**

### **Escalation of complaints: First Level**

The customer/borrower may contact the support team of the Company in case of any query/problem or grievance. The customer/borrower can:

- Write an email to the email ID: [Grievance@Bhanix.in](mailto:Grievance@Bhanix.in)
- Write to the Company through the official website. [www.bhanixfinance.com](http://www.bhanixfinance.com)

The office would be operational between 10.00 am to 6.30 pm from Monday to Friday (except a Public Holiday)

### **Escalation of complaints: Second Level**

If the customer/borrower is not satisfied with the response received from the Company, he/she may raise the issue with Grievance Redressal Officer. The name and address and contact details are as furnished below.

Ms. Pushpinder Kaur  
Bhanix Finance and Investment Limited  
5<sup>th</sup> Floor, Paville House, Twin Tower Lane,  
Off Veer Savarkar Marg, Prabhadevi,  
Mumbai – 400 025  
Telephone No 022-46047350  
Email ID: [Grievance@Bhanix.in](mailto:Grievance@Bhanix.in)

BFIL shall endeavour to respond to each complaint within one month from the date of receipt of the complaint.

### **Escalation of complaints: Third Level**

If the complaint is not resolved within a period of 30 (thirty) days, the customer/borrower may appeal to:

The Officer-in-Charge  
Non-Banking Supervision Department, Reserve Bank of India,  
3<sup>rd</sup> Floor, RBI Byculla Office Building

Opp. Mumbai Central Railway Station,  
Byculla, Mumbai-400 008  
Email ID: [nbfcomumbai@rbi.org.in](mailto:nbfcomumbai@rbi.org.in)  
Ph No. 022-2302-8140

## **10. OMBUDSMAN FOR NBFCs**

### **(1) Reserve Bank – Integrated Ombudsman Scheme, 2021**

BFIL covered under the **Reserve Bank – Integrated Ombudsman Scheme, 2021** shall appoint Nodal Officer and Principal Nodal Officer in accordance with directions provided under the said Scheme.

### **(2) Appointment of Internal Ombudsman**

BFIL may upon fulfillment of the criteria laid down under the circular on '**Appointment of Internal Ombudsman by Non-Banking Financial Companies' dated November 15, 2021** shall appoint the Internal Ombudsman and adhere to the corresponding guidelines as and when applicable.

## **11. REGULATION OF EXCESSIVE INTEREST CHARGED**

- (1) The rate of interest and the approach for gradation of risk and the rationale for charging a different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
- (2) The rates of interest and the approach for gradation of risks shall also be made available on the website of the company or published in the relevant newspapers. The information published on the website or otherwise published shall be updated whenever there is a change in the rates of interest.

## **12. CONFIDENTIALITY AND DISCRIMINATION**

BFIL shall treat all personal information of customers as private and confidential and shall not divulge any information to a third person unless required by any law or government authorities including regulators or a credit agency or where the sharing of information is permitted by the customer.

BFIL shall not discriminate its customers on the basis of race, caste, gender, marital status, religion or disability. However, the restrictions (if any) as mentioned in the loan products shall continue to apply.

## **13. KYC**

BFIL would explain the requirements of KYC Guidelines to its customers and inform them about the documents required for establishing the identity of the customer before loan sanctioning, account opening and operation.

BFIL would obtain only such information that is required to meet with the company's KYC, anti-money laundering or any other statutory requirements. In case any additional information is asked for, it will be sought separately and shall specify the objective of obtaining such additional information.

**14. GUARANTORS**

When a person is considered to be a guarantor to a loan, BFIL shall inform him/her of the following under acknowledgement:

- a. Letter/Deed of Guarantee stating the terms of liability as a guarantor.
- b. BFIL shall keep him/her informed of any default in servicing of the loan by the borrower to whom he/she stands as a guarantor.

**15. COMPLIANCE WITH THE FPC**

An annual review of the compliance with the FPC and the functioning of the grievance redressal mechanism would be conducted. A consolidated report of such review would be submitted to the Board of Directors every year.



### Version Control

| <b>Sr. No.</b> | <b>Version Control No.</b> | <b>Date created/ updated</b>    |
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