BHANIX FINANCE AND INVESTMENT LIMITED

LOAN RESTRUCTURING POLICY

Board Approval Date	Prepared By	Reviewed By	Version No	Last Review Date
December 19, 2025	**Head / Deputy Head - Collections**	**Chief Executive Officer (CEO)**	**3**	**December 13, 2024**

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1. WHAT IS LOAN RESTRUCTURING

Loan or debt restructuring refers to making changes in the existing loan terms and conditions to help the borrower to manage the repayment of loan principal and interest due. This could be due to a temporary mismatch of cashflows for the borrower.

Loan restructuring also includes loan settlement, as described below.

Loan Settlement:

Debt settlement is an agreement between the lender and borrower. In this agreement, the borrower requests the lender to accept a one-time full and final payment or a structured final settlement due to a poor financial situation. The amount the borrower is willing to pay here is usually less than the total amount owed. The decision for a settlement will rest solely with the lender.
Types of Settlement:

Lumpsum Settlement

In this instance, the borrower must pay the creditor a one-time payment under this option in order to settle the matter of the loan owed. Typically, the amount is negotiated between the Borrower and the Lender.

Structured Loan Settlement

In a Structured Loan Settlement, the Lender and Borrower mutually create the plan for the gradual staggered repayment of debt, including any moratorium for payment of principal, interest, penal charges, etc. Instead of following a typical lumpsum settlement at one time, a structured settlement allows flexibility in the repayment structure. The structured settlements or compromise settlements where the time for payment of the agreed settlement amount exceeds three months shall be treated as restructuring as per Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025, as amended from time to time.

2. DEFINITIONS

Board: Board of Directors of the company in relation to a Company, means the collective body of Directors of the Company. [Section 2(10) of the Companies Act, 2013])

CASHe: CASHe is technology platform/mobile-based application through which the Company offers financial and/or investment services.

Company means “Bhanix Finance and Investment Limited” (hereinafter referred as “Bhanix” or “ BFIL”), a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India

“Loan restructuring”- means the facility that Bhanix provides to the borrowers due to their financial difficulties arising from either economic or legal reasons.

“Lender” or “Creditor”- means Bhanix Finance and Investment Limited

“Borrower” - means the individual who has received a loan from Bhanix for personal purposes. (for example, consumption, medical or other personal purposes)

“Loan contract /agreement for individuals” - means the agreement whereby Bhanix grants or promises to grant to an individual an amount of money for personal consumption as the borrower deems fit.

“Total Outstanding Amount” = Loan Amount (+) Total Interest outstanding (+) Any other outstanding charges (-) Total Amount Received

3. OVERVIEW

The purpose of this document is to encourage a more active approach to loan restructuring for borrowers in a timely manner, through the introduction of principles and guidelines based on the best practices, which should be implemented during the loan restructuring process. Overall, these principles provide guidelines on the rights and behaviour of parties during loan restructuring negotiations and serve as a tool for open communication between the borrower and the creditor. As such, this document aims to educate and provide guidance regarding the restructuring process and establishes the background for an open and collaborative relationship throughout the credit duration.

The objective of the policy is to maximise the possible recovery from a distressed borrower at minimum expense, in the best interest of the company and borrower with permissible sacrifice for various categories of exposures while arriving at the settlement amount.

Advantages of loan restructuring

- Provides the borrower with the possibility to successfully handle the financial difficulties and continue fulfilling its obligations.
- Avoids the negative social and macroeconomic effects that might arise from the default of a loan contract.
- Reduces encumbered court procedures, by reducing the number of cases and prolonged court sessions.
- Is more effective than a legal process (the dispute is resolved more rapidly and provides for the recovery of a higher percentage of the debt).
- Helps individuals to gain confidence on the loan restructuring process.

Principles for loan restructuring

1. Loan restructuring is a compromise but not an obligation by the creditor.
2. Negotiation between the borrower and creditor in the best interest of both parties
3. Clear and transparent communication and with good faith
4. The creditor shall provide the borrower with a clear statement of the borrower’s obligations based on the credit agreement.

5. The borrower shall provide the creditor with all necessary information, in a timely and accurate manner.
6. The creditor shall provide a prompt response to the borrower's proposal for loan restructuring.
7. The borrower shall have sufficient time to provide the requested information and consider the proposal on restructuring.
8. Restructuring shall be reasonable and achievable.
9. Confidentiality.

4. GUIDELINES

- Restructuring of the advances shall comply with all the extant regulatory norms for restructuring in force as notified by the RBI from time to time.
- Existence of borrower's financial difficulty for economic or legal reasons, due to which concessions to the Borrower are proposed, which otherwise would not have been considered.
- Restructuring may involve modification of any of the terms, namely repayment period / repayable amount / the number of installments, reset of interest rates, switching of loans from floating to fixed rate, etc.
- Restructuring cannot take place unless alteration/changes in the original loan agreement are made with the formal consent/application of the borrower. The process of restructuring can be initiated by Bhanix in deserving cases subject to the customer agreeing to the terms and conditions. Upon due evaluation of the documents submitted by the Eligible Borrower, the concerned team of the Lender shall execute with the Eligible Borrower necessary amendment agreement or other necessary documents in order to record the revised terms and implement viable resolution plan(s).
- No account shall be taken up for restructuring unless the financial viability is established and there is a reasonable certainty of repayment from the borrower, as per the terms of the restructuring package.
- Borrowers indulging in fraud and malfeasance shall continue to remain ineligible for restructuring.
- In case of restructuring, the loan accounts classified as ‘standard’ shall be immediately downgraded as 'Sub-Standard.'
- Borrowers who have already had their accounts restructured cannot apply for the restructuring scheme again.
- The customer's repayment history and the reasons cited by the customer when applying for restructuring should be considered when determining restructuring eligibility.
- Loan restructuring can only be given for customers with a minimum Total Outstanding Amount of Rs. 5,000/-.

- For loan restructuring cases, the lender will use best efforts to obtain (Total outstanding * 10%) or 2 EMIs, whichever is higher, as the restructuring amount.

- Minimum eligibility to consider a case under resolution:

    - Request from the relevant borrower to explain the stress.
    - The stress shall have or result into an adverse financial impact on the concerned borrower.
    - Stress related to any condition leading to temporary inability to repay the debts as per the existing terms of the loan may be considered. However, there shall be a visibility or potential of revival if the resolution is granted. Some of the illustrations (but not limited to) of such impact could be as below:

        - Earlier employed (full-time/part-time) but lost employment
        - Employed (full-time/part-time) but salary got reduced or low salary.
        - Parents employment/Business impacted.

- The above conditions shall be corroborated with the relevant material or reasonable explanation to the satisfaction of Bhanix.

- Income & Viability assessment (Indicative List)

    - In case, concerned borrower was/is a salaried class, at least 3 salary slips to be collected (reflecting in the bank statement) of the borrower/co-borrower.
    - Any past and/or existing records relating to income.
    - Assessment of Adjusted FOIR (Fixed Obligation to Income Ratio) to be done, if applicable.

- Additional Due Diligence

    - Latest credit bureau report to be generated for all borrowers and co-borrowers
    - Collections feedback
- Monitoring of the restructured accounts

    - Repayment track of restructured accounts to be closely monitored
    - In case of adverse observations on monitoring or delays in loan servicing post-restructuring beyond 30 days, recovery measures should be accelerated.

- Cooling Period: While having fresh exposure to such borrowers who are subject to a compromise settlement, the company will decide on the cooling period (which should not be less than 12 months) to such borrowers.

- Technical Write-off: Technical write-off for this purpose shall refer to cases where the non-performing assets remain outstanding at the borrowers' loan account level but are written off (fully or partially) by the Lenders only for accounting purposes, without involving any waiver of claims against the borrower, and without prejudice to the recovery of the same.

5. PRUDENTIAL NORMS

- Disclosure in the Financial Statement: The Company shall make appropriate disclosures about the restructured accounts in terms of this Policy in its annual financial statements under the "Notes to Accounts".

- Credit Reporting by the Company: The restructuring of loan granted to the Eligible Borrowers under this Policy will be treated as new restructured loan account and the credit history of the Eligible Borrowers shall consequently be governed by the respective policies of the credit information companies as applicable to accounts that are restructured.

- There shall be a reporting mechanism to the next higher authority, at least on a quarterly basis, with respect to compromise settlements and technical write offs approved by a particular authority. Provided that compromise settlements and technical write-offs approved by the MD & CEO / Board Level Committee shall be reported to the Board.

6. IMPACT OF LOAN RESTRUCTURING ON CREDIT SCORE

Upon restructuring or settlement of the loan, the status of the loan will be recorded as 'restructured' or 'settled', as the case may be. If the borrower has applied for only one loan to be restructured, the lender will report all loans of the borrower as restructured or settled as the case may be.

7. DISCLAIMER

Bhanix reserves the right to amend, adjust, reassign, or withdraw any or all objectives within this policy as per the changes in the statutory act. Such amendments, adjustments, or assignments, if any, may affect individual objectives for which Bhanix is not responsible/liable to set off any loss/damages that occur to anyone.

Any matter not specifically covered under the above guidelines shall be referred to the Compliance team for necessary advice. The interpretation of this policy rests exclusively with the Compliance Department of Bhanix. The decision of the Company would be final and binding.

8. EXCEPTION

Any exception to these policy guidelines will be considered on a case-to-case basis and the same has be approved by either the Head / Deputy Head of Collections and/or the Chief Executive Officer (CEO).

9. POLICY REVIEW

This policy shall be reviewed at least annually, or earlier if required due to regulatory changes, business requirements, or directions issued by the Reserve Bank of India.

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BHANIX FINANCE AND INVESTMENT LIMITED

Version Control

Sr. No.	Version Control No.	Date created/ updated
1.	Version 1	November 18, 2023
2.	Version 2	December 13, 2024
3.	Version 3	December 19, 2025