

BHANIX FINANCE AND INVESTMENT LIMITED

PRICING POLICY

(Policy for Determining the Rate of Interest, Processing Fees & Other Charges)

Adopted / Amendment Date by Board	Reviewed By	Approved By	Version No	Last Review Date
December 13, 2024	Chief Risk Officer (CRO)	Chief Executive Officer (CEO)	4	April 25, 2024

Table of Contents

1.	INTRODUCTION	3
2.	INTEREST RATE MODEL	3
3.	APPROACH FOR GRADATION OF RISK.....	4
4.	REGULATION OF EXCESSIVE INTEREST RATE	4
5.	PENAL CHARGES.....	5
6.	PRE-PAYMENT	6
7.	PROCESSING/ DOCUMENTATION AND OTHER CHARGES.....	6
8.	DISCLOSURE	8
9.	GOVERNANCE.....	8
10.	POLICY APPROVAL AND REVIEW	8

1. INTRODUCTION

- 1.1. Bhanix Finance and Investment Limited (hereinafter referred to as 'the Company' or 'BFIL') is a public limited company registered under the Companies Act 1956 and licensed as a Non-Deposit Taking Non-Banking Financial Company by the Reserve Bank of India ("RBI") as per Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions as amended from time to time
- 1.2. The Board of Directors of BFIL has adopted this Pricing Policy i.e. policy for Determining Rate of Interest, Processing Fees, Penal and Other Charges applicable to its product portfolio in compliance with the Reserve Bank of India directives and to ensure its standard of transparency.

2. INTEREST RATE MODEL

- 2.1. Interest is charged on the loan amount (before deduction of any upfront charges or payments) disbursed by BFIL to the borrower and the same is determined in accordance with the guidelines issued by the RBI. The interest is to be charged from the date of disbursement to the customer.
- 2.2. Interest rates charged by the Company depends on a variety of factors affecting the Company including cost of borrowed funds, matching tenor cost, market liquidity, RBI policies, offerings by competition, market reputation, cost of operations, disbursements, cost of capital required, inherent credit and default risk in the counterparty and products, industry trends, etc.
- 2.3. Interest rates will be arrived at based on the following broad parameters (note, this is not an exhaustive list):
 - Risk profile of the borrower
 - Interest rate trend prevailing in the money market
 - Cost of borrowings
 - Interest rate charged by competitors
 - Tenure of the borrowing
 - Historical track record of the borrower with BFIL
 - Administrative cost and profit margin
 - Structuring Premium, if any.
 - Type of loan (e.g. Unsecured loan)
 - Loan ticket size
 - Preferred customers (i.e. loyalty program)
 - Repayment flexibility

- 2.4. The interest rate to be charged by the Company on the loan may be either fixed or floating, as determined by the Company.
- 2.5. The final loan is sanctioned to the borrowers after considering the specified relevant factors and the information collected based on one or more of the following: credit reports, market reputation, internal scoring methodology, reviewing the other available data of the borrowers/potential customers, etc.

3. APPROACH FOR GRADATION OF RISK

- 3.1. The risk premium attached to a customer is assessed inter-alia based on the following factors:
 - Profile and market reputation of the borrower;
 - Inherent nature of the product, type/nature of the facility, refinance avenues, whether the loan is either for bank financing, loan to value of asset financed;
 - Tenure of relationship with the borrower / borrower group (if any), past repayment track record, and historical performance of similar clients;
 - Borrower strength, Group strength (if any), overall customer yield, future potential, repayment capacity based on cash flows and other financial commitments of the borrower, mode of payment;
 - Nature and value of primary and secondary collateral/security (if any);
 - Type of asset being financed, end use of the loan represented by the underlying asset;
 - Interest, default risk in related business segments, regulatory stipulations, if applicable, and any other factors that may be relevant in a particular case.
 - Any other factors as determined by the Company.

4. REGULATION OF EXCESSIVE INTEREST RATE

- 4.1. The Interest rate would be intimated to the borrower at the time of sanction/availing of the loan during the loan application process and is communicated explicitly in the loan sanction letter and Key Fact Statement.
- 4.2. The interest rates are disclosed on a per annum basis so that the borrower knows the exact rate that would be charged for the loan.
- 4.3. The rate of interest charged on the borrower's loan account is reasonable, sustainable, and conforms to normal financial practice.
- 4.4. The Board/Committee of the Company shall lay out appropriate internal principles and procedures in determining interest rates and other charges. The procedure followed by the Company aligns with the guidelines as directed by the regulated authority.

- 4.5. The Company discloses the change in interest rate on the product portfolio, whenever, to the borrower through an appropriate medium (namely via one or more of the following: the digital lending application, e-mail, SMS, or any such other mechanism).
- 4.6. The Rate of Interest of different customers may vary irrespective of the same product and tenure availed during the same period depending upon the consideration or the combination of the significant factors specified in this policy.
- 4.7. The company shall not introduce any additional charges other than those disclosed to the customer during the loan disbursal process.
- 4.8. The interest shall be payable on the due date as mentioned in the loan agreement or as communicated to the borrower.

5. PENAL CHARGES

- 5.1. Penal Charges are levied on the overdue amount of the loan and not on the entire loan amount and the same are communicated to the borrower in the loan agreement.
- 5.2. In case of any delay /default in payment of any outstanding principal and/or interest (i.e. EMI) or in case of breach of any other material terms and conditions, BFIL may levy a penal charge as mentioned in this policy. However, such penal charges shall not be levied for more than 180 days from the date of default. The cumulative penal charges shall not exceed 25% of the loan amount. In deserving cases, BFIL may fully or partially waive the penal charges imposed on a particular loan account.
- 5.3. There shall be no capitalization of penal charges and no discrimination shall be made between the borrowers while levying penal charges. However, the rate and/or quantum of penal charges may vary for different product categories or borrower segments.
- 5.4. The quantum of penal charges shall be reasonable and commensurate with the noncompliance of material terms and conditions of the loan contract without being discriminatory within a particular loan/product category.
- 5.5. Penal charges applicable for an individual borrower shall not exceed the penal charges applicable for the non-individual borrower(s) if any.
- 5.6. The quantum and reason for penal charges shall be disclosed in bold in the Loan Agreement, most important terms & conditions (MITC) / Key Fact Statement (KFS) as applicable, in addition to being displayed on the BFIL website.
- 5.7. Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefore shall also be communicated.

- 5.8. If the borrower makes any advance payment / prepayment (subject to payment of suitable prepayment charges, if any) then the Company will adjust the excess payment against future receivables and will grant interest benefit to the Borrowers. However, if the payment received is below the EMI payment (i.e. there is a deficit), then the Company will not grant any interest benefit to the customers, since there is no excess payment received. In case the EMI payment is made in installments, the last date of payment will be taken for providing interest benefit.

The Company shall charge interest from the date of actual disbursement of the loan. The Company shall charge interest only for the period for which the loan is outstanding, in accordance with the terms of this Agreement. The interest will be charged only on the amount of loan outstanding.

- 5.9. Any advance payment received from the Customer may be refunded to the customer upon written request.
- 5.10. In case, the company seeks to collect instalments in advance, the same shall be transparently communicated to the borrower, and the Company will only consider the net loan amount for charging the interest.
- 5.11. BFIL shall give notice to the borrower in the vernacular language or language of their understanding of any change in the terms and conditions including disbursement schedule, interest rates, service charges, pre-payment charges etc.
- 5.12. Any changes in interest rates and charges shall be affected only prospectively. Suitable conditions with regard to the same shall also be incorporated in the loan agreement.
- 5.13. The lending rate is subject to change at the discretion of the management of BFIL based on the variables as set by the management of BFIL. The rate of interest applicable on a product may change between the date of sanction and disbursement.

6. PRE-PAYMENT

- 6.1. Pre-payment options are available to the customer as per the terms of this policy.
- 6.2. To ensure uniformity for the prepayment of various loans by borrowers, the company does not charge foreclosure charges on the floating rate term loan.

7. PROCESSING/ DOCUMENTATION AND OTHER CHARGES

- 7.1. BFIL imposes the following interest rates, fees, and other charges on the loan account:
- 7.2. The processing fee/ documentation and other charges recovered will be expressly stated in the Loan Agreement. BFIL may levy any of the below-mentioned fees, charges, etc. to the borrower on a case-to-case basis at the discretion of the management:

a) Rate of Interest	Between 21% p.a. to 45% p.a. on reducing balance basis
b) Loan Processing Charges	To be charged to the borrower/s for expenses pertaining to documentation, agreement, etc. Loan processing charges up to 7% of the Loan amount which includes Plain Processing Fees, Documentation Fees, Verification Fees, and Onboarding Fees.
c) Part Prepayment	A charge for part prepayment of loan which ranges up to 5% excluding GST depending on the amount of principal prepaid.
d) Foreclosure Charges	For floating rate loans-Nil, For Fixed-rate loans- A foreclosure charge for prepayment of loan which ranges up to 5% excluding GST depending on the outstanding principal before foreclosure.
e) Cheque/NACH Bouncing Charges	Up to Rs. 500/- (Rupees Five Hundred only) to be charged to the borrower/s in each instance that any cheque is dishonored (under any of the payment modes) and consequently represented OR in each instance that a cheque/ pay order/ demand draft is presented when any instalment/s is/are not received by BFIL by /upon the issue of debit instructions under the ECS method or direct debit method or any other payment method (other than the PDC method) as selected by the borrower/s for any reasons whatsoever.
f) Penal Charges	Up to 4% per month (excluding GST charges) to be charged to the borrower for the delayed period on the amount under default. (i.e. delay in payment of any amount of outstanding principal and/or interest as mentioned in this Policy.)
g) Loan Recovery Charge	To be charged for the expense incurred by BFIL to recover the dues including legal fees, duties, notices, advertisement, etc.
h) Cancellation Charges	To be charged up to 10% (excluding GST) of the transaction, upon receipt of the request for cancellation of service (either partial/full) from the borrower
Please Note: If any statutory charges including fees, taxes etc. levied by government authorities shall be applicable as per the prevailing rate, may be further charged accordingly.	

- 7.3. The aim of BFIL to levy the abovementioned charges other than those mentioned as Loan Processing Charges is not to make money out of it but to encourage prompt and timely repayment of dues of BFIL and to deter the borrower against intentional delinquency. However, in deserving cases, such charges may be waived off or settled.

8. DISCLOSURE

- 8.1. Appropriate disclosure regarding this Policy, Processing Fees, Penal and Other charges shall be made on the Company website.

9. GOVERNANCE

- 9.1. Any supervisory observation concerning pricing should be discussed with the Board.
- 9.2. The Board of Directors is responsible for approving the overall pricing policy framework, ensuring alignment with regulatory guidelines outlined by the RBI, and conducting periodic reviews of policy efficacy and alignment with strategic goals.
- 9.3. The Board can delegate responsibilities to the Credit Monitoring Committee that also evaluates pricing.
- 9.4. The Internal Audit team shall review compliance of this policy and report to the Board.

10. POLICY APPROVAL AND REVIEW

- 10.1. This Policy shall be reviewed by the Committee/Board as and when any changes are to be made in the Policy or at such intervals as may be considered necessary to ensure compliance with any regulatory or statutory requirement from time to time. Any changes in or modifications to the Policy as recommended by the Committee shall be presented to the Board for approval.

Version Control

Sr. No.	Version Control No.	Date created/ updated
1.	Version 1	21 st April 2022
2.	Version 2	28 th February, 2024
3.	Version 3	25 th April 2024
4.	Version 4	13 th December, 2024