

## **1. Preamble**

Bajaj Finance Ltd. ('BFL', 'Bajaj Finance', or 'the Company'), is a subsidiary of Bajaj Finserv Ltd. It is a deposit-taking Non-Banking Financial Company (NBFC-D) registered with the Reserve Bank of India (RBI) and is classified as a NBFC-Investment and Credit Company (NBFC-ICC). Further as per the Scale based framework issued by RBI, BFL is being classified as Upper layer NBFC. BFL is engaged in the business of lending and acceptance of deposits.

The Company has a diversified lending portfolio across retail, SMEs (small and medium-sized enterprises), and commercial customers with a significant presence in both urban and rural India. It accepts public and corporate deposits and offers a variety of financial services products to its customers. It also has a Pre-paid Payment Instrument (PPI) licence from the RBI, Department of Payment & Settlement Systems.

This document outlines the policy for governance, determination and levy of fees and charges to the customers in line with Fair Practice Code regulations of RBI to ensure transparent disclosure to customer.

## **2. Objective**

RBI's Fair Practice Code requires the Board to lay out appropriate principles and procedures for levy of Fees and Charges to the customer. Accordingly, this policy cover the followings:

- Principles and procedures for levy of fees and charges
- Governance of Fees & Charges including Change Management; and
- Review framework.

## **3. Principles and Procedures for levy of fees and charges**

BFL offers variety of Lending products to its customers. It also offers customers Fixed Deposit products, various Payment products as well as 3<sup>rd</sup> party distribution of Insurance products. Accordingly, it may levy different fees and charges to the customers depending on the products availed by the customer. The nature of the fees and charges to be levied to the customer should be specified in respective Product Program Guidelines (PPG).

Taking into consideration the nature of the lending product and sustainability and risk of the business operations, BFL may levy various fees and charges to the customers such as:

- Upfront fees and charges - Fees and charges pertaining to loan processing/ disbursement such as processing fees, documentation charges, convenience fees, etc can be levied at customer acquisition stage. Nature and quantum of such upfront fees and charges can vary based of product segment. Basis product program these fees and charges should be either collected upfront or to be deducted from loan amount or to be collected along with the installment as applicable.;

- Servicing Fees - Fees and charges for loan servicing such as NoC charges, loan related documents retrieval charges, etc. can be levied to the customer during the loan tenure for specific service-related requests from the customers.
- Contingent fees and charges - These charges are contingent upon specific transaction/ event occurring during the loan life cycle such as part-prepayment, foreclosure, non-compliance of terms and conditions of loan, bounce, etc. and accordingly, these charges can be levied only on occurrence of such events.
- Value Added Services (manufactured by BFL) - Fees and charges for value added services such as property dossier charges, EMI Card fees, CIBIL TransUnion Report (CTR) etc. should be levied to customers on purchase / availment of such value-added product / services. Such charges can be collected upfront or funded to the customer; and
- Distribution of third-party products and services - BFL may distribute various third-party products and services such as life insurance, general insurance, health insurance etc. The amount of such third-party products and services can be collected upfront or funded to the customer.

The illustrative list of various fees and charges across different products offered by BFL is provide in **Annexure 1** of this policy. Actual fees and charges leviable to the customers across different lending and other products shall be covered as part of Product Program Guidelines (PPG) document.

Further, with respect to implementation/ levy of fees and charges, the Company shall ensure that:

- A Clear and transparent communication is made to the customer about all fees and charges as part of agreement / T&C
- Any upfront fees and charges that is not communicated in the agreement should not be imposed on the customer for availing the loan product; and
- Any change in contingent / service charges or introduction of new contingent / service charge should be implemented only prospectively except for change on account of regulatory/ statutory changes.

## ***4. Governance Framework for Fees and Charges***

Any new Fees & charges shall be first put up for an approval of PPG Committee along with rationale. Once it has been approved by PPG Committee, the same should be put up for prior approval of the Board. The new fees and charges should only be implemented post approval of the Board.

## ***5. Periodical Review Framework***

The policy shall be reviewed at least annually by the Board.

## **Annexure 1 – List and Details of various fees and charges under various lending products**

<b>Sr No</b>	<b>Name of Fees &amp; Charges</b>	<b>Amount based/ rate based</b>	<b>Description</b>
<b>Upfront fees and charges</b>			
1	Processing Fees	Fixed / Rate	Fees charged for processing of a loan
2	Upfront Interest	Fixed / Rate	Amount collected as an interest from the Customer in advance at the time of processing/disbursement of the Loan.
3	Mandate registration Charges	Fixed	Fees charged for registering Mandate of the customers
4	Documentation Charges	Fixed	Fees charged for verification of Documents of the customer
5	Flexi Facility Charge	Fixed	Fees charged to the customer for availing flexi variant of loan to meet individual customer needs
6	Stamp Duty	Fixed / Rate	Statutory charges
7	Convenience Fee	Fixed / Rate	Fees charged to the Customer for allowing access to existing BFL network/ infrastructure of merchants and dealers
8	Loan Enhancement fee	Fixed	Fees charged to the customer for enhancing loan amount of the customer to cover additional risk
9	Limit Enhancement fee	Fixed	Fees charged to the customer for enhancing limit of the customer
10	Transaction fee	Fixed	Transaction fee charged to the customer who does not have an EMI card
11	Credit Suraksha Fee	Fixed	Fees charged to the customer for installing Bajaj Finserv Credit Surekha Application on the mobile phone to put restriction on usage of mobile phone in case of default
12	Commitment Fee	Fixed	Fees charged to the customer for processing loans in the event of non-availment of credit facility by the customer post sanction
13	Mortgage Origination Fee / Mortgage Origination Fee Revalued	Fixed	Fees charged to the customer for mortgaging a property
14	Property valuation Fee	Fixed	Fees charged to the customer for valuation of an asset
15	Hypothecation Charges	Fixed	Fees charged to the customer for managing hypothecation processes and to protect asset in financial transactions

<b>Sr No</b>	<b>Name of Fees &amp; Charges</b>	<b>Amount based/ rate based</b>	<b>Description</b>
16	CERSAI Charges	Fixed	Fees charged to the customer for service charges of CERSAI Platform
17	Registrar of Companies filing charges	Fixed	Fees charged to the customer for filing documents with the Registrar of Companies
18	Direct Cash Collection Charge	Fixed	Charges collected from customer for providing option of collecting EMI in cash
19	Principal Holiday Charge	Fixed	Charges for providing only interest payment option for the initial tenure for customers availing Term Loan
20	Upfront Valuation Charge	Fixed	Fees charged to the customer for valuing an asset
21	Upfront Charges	Fixed	Amount collected from customer in advance for processing of loan
22	Additional Upfront	Fixed	Amount collected from customer in advance for processing of loan
23	Compulsory Upfront	Fixed	Amount collected from customer in advance for processing of loan
24	LC Processing Fees	Rate	Fees charged to customer for providing Letter of Credit to customer to submit as a proof of availability of funds for booking machinery
25	EMI Holiday fee	Rate	Fees charged to customer for providing an option of EMI Holiday for the availed loan
26	Title Search Report (TSR) Charges	Fixed / Rate	Fees charged to customer for providing Title search report for availing secured loans
27	Discounting Charges	Rate	Fees charged to customer for providing Bill discounting in invoice finance loans
<b><i>Service fees</i></b>			
28	Switch Fee	Rate	Fees charged to the customer for converting one variant of loan to another variant of loan
29	Conversion Fees	Rate	Fees charged to the customer for converting the Fixed ROI to Floating ROI or vice versa.
30	Renewal Fee	Fixed	Fees charged to the customer for renewing the loan upon the maturity of the subsidizing asset.
31	Annual Maintenance Charges	Fixed / Rate	Fees charged to the customer to keep flexi loan facility active of the customer
32	Swapping Charges	Fixed	Fees charged to the customer for Swapping of customer mandate
33	No Objection Certificate for Interstate Transfer	Fixed	Fees charged to the customer for issuing NOC for Interstate transfer of Vehicle

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34	Charges for Duplicate No Objection Certificate	Fixed	Fees charged to the customer for issuing Duplicate NOC for removing Hypothecation post loan closure
35	No Objection Certificate for Private to Commercial	Fixed	Fees charged to the customer for Issuing NOC for converting vehicle from Private to commercial
36	Valuation charges	Fixed	Fees charged to the customer for valuing an asset
37	Account Opening Charges	Fixed	Fees charged to the customer for initiation of an account related to a loan secured by securities.
38	Pledge Confirmation Charges	Fixed	Fees charged to the customer for pledging shares
39	Pledge Invocation Charges	Fixed	Fees charged to the customer for invoking the pledge associated with the customer's shares (to cover NSDL/CDSL charges)
40	Demat Share Transfer Charges	Rate	Fees charged to the customer for transfer of Demat shares
41	Loan Rebooking Charges	Fixed	Fees charged to the customer for rebooking a loan on customer request
42	Depository Participant Charges	Fixed	Fees charged to the customer for custodial service for the securities held in Demat account
43	Cash Handling Charges	Fixed	Fees charged to the customer for disbursing the loan in cash mode.
44	Direct Cash Collection charges	Fixed	Fees charged to the customer for providing facility of repaying the loan in cash
45	Statement Issuance Charges	Fixed	Amount collected from customer for providing any statements.
46	Agreement copy charges	Fixed	Amount collected from customer for providing copy of agreement.
47	Administrative Charges	Fixed	Amount collected from customer for covering various Admin expenses.
48	Line of credit set up fee	Fixed	Amount collected from customer for setting up a credit line.
49	Money Loading Charges	Fixed / Rate	Charge collected from customer for loading money into payments wallet
50	Cash Deposit charges / Cash collection handling charges	Fixed	Fees charged to the customer for providing the facility of repaying the loan / EMI in cash
51	Non-Utilization Fee	Rate	Charges for non-utilization of Interest free trade advance facility

<b>Sr No</b>	<b>Name of Fees &amp; Charges</b>	<b>Amount based/ rate based</b>	<b>Description</b>
52	EMI Card Annual Fees	Fixed	Fees charged to customer for maintenance of loan limit assigned to the customer on his EMI card
53	Monthly Lease Administration Fee	Rate	Fees charged to customer for managing day to day leasing operations
54	Other NOC	Fixed	Fees charged to customer for providing No Objection certificate to customer
55	Line Activation Charges	Fixed	Fees charged to customer for instant disbursement of loan on call
56	NOC KIT	Fixed	Charge levied to customer for providing No objection certificate to customer at the time of loan closure
57	Service Charges	Fixed	Charge levied to customer for providing loan services to customer
<b><i>Contingent fees and charges</i></b>			
58	Bounce Charges	Fixed	"Bounce charges" shall mean charges for non-payment of instalment (s) on their respective due dates due to dishonour of payment mandate or non-registration of the payment mandate or any other reason.
59	Penal Interest	Rate	Interest charged to the customer for delay in payment of EMI
60	Additional Penal Interest	Rate	Interest charged to customer in case of breach of terms of Agreement and/or sanction letter terms, including but not limited to non-submission of requisite documents to BFL
61	Instalment Default Charge	Fixed	Fees charged to the customer for not registering mandate on customer's bank
62	Part Prepayment Charges	Rate	Fees charged to the customer for allowing partial pre-payment of loan
63	Foreclosure Charges	Rate	Fees charged to the customer for allowing full pre-payment of loan
64	Legal & Incidental Charges	Fixed	Fees charged to the customer for recovering legal and event based incidents cost
65	Legal & Repossession Charges	Fixed	Fees charged to the customer for legal processes and repossession cost incurred by the Company.
66	Stockyard Charges	Fixed	Fees charged to the customer for parking and managing repossessed vehicles securely
67	Audit / inspection charges	Fixed	Fees charged to the customer for audit and inspection services to ensure compliance

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68	Notice Charges (Default / Intimation / LTV Breach / Final Auction Intimation)	Fixed	Fees charged to the customer to recover charges for issuing Notice
69	Auction Charges	Fixed	Fees charged to the customer to recover charges incurred to conduct auction
70	Brokerage Charges	Fixed	Fees charged to the customer for selling customer shares in case of default by customer
71	RC hypothecation delay charges	Fixed	Fees charged to the customer for delay in receiving RC beyond a certain specified period post disbursal.
72	Cancellation Charges	Fixed	Fees charged to the customer to compensate processing cost in the event of cancellation of loan
73	Penal Charge	Fixed	Amount charged to the customer for delay in payment of EMI
74	Subsequent disbursement visit charge	Fixed	Charge levied to customer for subsequent visit of property for audit of property completion stage
75	Vehicle Valuation Charges	Fixed	Fees charged to the customer for valuating a vehicle.
76	Parking Charges	Fixed	Fees charged to the customer for parking and managing repossessed vehicles securely
77	Tranche Breach Charge	Rate	Charge levied to customer in the event of breach of tranche tenure of trade advance given to partners enrolled with BFL
<b>Value Added Service offered by BFL</b>			
78	EMI card fee	Fixed	Fees charged to the customer for providing an EMI card facility
79	Health EMI (HEMI) card	Fixed	Fees charged to the customer for providing Health EMI card facility
80	BFL Share	Fixed	Fees charged to the customer for providing a Co-branded (Dealer & BFL) EMI card facility
81	Gold Health EMI Network Card Fee	Fixed	Fees charged to the customer for providing a Gold Health EMI Network Card facility.
82	Platinum Health EMI Network Card Fee	Fixed	Fees charged to the customer for providing a Platinum Health EMI Network Card facility.
83	Corporate / Hospital Health EMI Network Card Fee	Fixed	Fees charged to the customer for providing a Corporate / Hospital Health EMI Network Card facility.



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84	Co-Branded Card Issuance Fees	Fixed	Fees charged for issuing a Co-branded card to customer.
85	Add on Card Fee	Fixed	Fees charged to the customer for providing an additional EMI card / Health EMI card facility
86	Property Insight	Fixed	Fees charged to the customer for valuing an asset for risk assessment
87	CIBIL TransUnion Report Fee (CTR)	Fixed	Fees charged to the customer for providing CTR Report
88	Business Pulse Report	Fixed	Fees charged to the customer for providing BPR Report
89	Financial Pulse Report	Fixed	Fees charged to the customer for providing FPR Report
90	Practice Management Software	Fixed	Introducing value-added products in professional loans (Doctor Loans), such as software to manage patient records and clinic activities.
<b><i>Distribution of third-party Products and services</i></b>			
91	Life Insurance	Fixed	Amount for Life insurance purchased / availed by customer
92	General insurance	Fixed	Amount for General insurance purchased / availed by customer
93	Health Insurance	Fixed	Amount for Health insurance purchased / availed by customer
94	Financial Fitness Report	Fixed	Amount for FFR Report purchased / availed by customer
95	Financial Fitness Detailed Report	Fixed	Amount for FFDR Report purchased / availed by customer
96	Credit Card	Fixed	Amount for Credit card availed by customer
97	GPS Device	Fixed	Amount for GPS device purchased / availed by customer
98	Buy Back Price Assurance	Fixed	Amount for buy back guarantee availed by customer
99	Assistance Products ( Such as Extended Warranty, Fonesafe, Life secure, Asset Secure, Subscriptions)	Fixed	Amount for Assistance products purchased / availed by customer
100	Investment Plans	Fixed	Amount for Investment plans purchased / availed by customer
<b><i>Payments Charges</i></b>			
101	Payment Gateway transaction charges / Platform Charges / Transfer Charges	Fixed/Rate	Charges collected from customer for providing a platform for making digital payment / Transfers / Transactions



<b>Sr No</b>	<b>Name of Fees &amp; Charges</b>	<b>Amount based/ rate based</b>	<b>Description</b>
102	Load Money	Rate	Fees charged to load money through UPI /Credit/Debit cards/Net Banking
103	Payment of bills and recharges	Fixed / Rate	Fees charged to customer for payment of bills and recharges
104	Wallet to bank transfer	Rate	Fees charged to customer for transferring amount from wallet to bank
105	Issuance charges	Fixed	Fees charged to the customer for issuance of Gift Card / Cobranded Gift Card / FASTag / Wallet
106	Replacement Fees	Fixed	Fees charged to the customer for issuance of replacement FASTag
107	Account Opening or upgrade (Full KYC Wallet) for new customers	Amount	Charges levied for providing option for Ease of doing KYC and upgrade the wallet
108	On demand settlement - Processing Fees	Rate	Charges levied to Merchant to provide a feature of on demand settlement of payment
109	Rupay Credit Card on UPI / PPI / PPI on UPI / Credit on UPI	Rate	Charge levied to merchant for enabling feature of accepting payments through Credit instruments & PPI
110	Txn SMS - SMS Charges	Amount	Charges for sharing alerts of the transactions and settlements to merchants on SMS
111	Courier charges	Amount	Charges for sending Soundbox to merchants through courier
112	FEES AND CHARGES for PayIn	Amount	Charges for setting up and maintenance of Payment Gateway applied to merchants who have availed PayIn services
113	Platform Utilization Fee	Amount	Charges for transaction on Payment Gateway applied to merchants who have availed PayIn services
114	FEES for Linkpay (Over and above Payin charges)	Amount	Charges for sending payment link via SMS or Email applied to payment gateway merchants
115	FEES AND CHARGES for Orchestrator	Amount	Charges for setting up, maintenance and transaction on Payment Gateway applied to merchants who have orchestrator services
116	FEES AND CHARGES for SI and Recurring	Amount	Charges for mandate registration and presentment applied to the Payment Gateway merchants
117	QR - Deployment and Installation	Fixed	Fees charged for Set-up / Installation of QR
118	Sound Box - Rental Charge (includes device cost,	Fixed	Fees charged as monthly rental basis the plan selection

<b>Sr No</b>	<b>Name of Fees &amp; Charges</b>	<b>Amount based/ rate based</b>	<b>Description</b>
	maintenance charges, SIM Charges)		
119	Batch Settlement - Processing Fees	Rate	Batch settlement/ on-demand settlement fees charged on transaction value