

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 3rd 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

Sr No	Name of Fees & Charges	Amount based/ rate based	Description
Upfront fees and charges			
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

Sr No	Name of Fees & Charges	Amount based/ rate based	Description
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
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
Service fees			
19	Switch Fee	Rate	Fees charged to the customer for converting one variant of loan to another variant of loan
20	Conversion Fees	Rate	Fees charged to the customer for converting the Fixed ROI to Floating ROI or vice versa.
21	Renewal Fee	Fixed	Fees charged to the customer for renewing the loan upon the maturity of the subsidizing asset.
22	Annual Maintenance Charges	Fixed / Rate	Fees charged to the customer to keep flexi loan facility active of the customer
23	Swapping Charges	Fixed	Fees charged to the customer for Swapping of customer mandate
24	No Objection Certificate for Interstate Transfer	Fixed	Fees charged to the customer for issuing NOC for Interstate transfer of Vehicle
25	Charges for Duplicate No Objection Certificate	Fixed	Fees charged to the customer for issuing Duplicate NOC for removing Hypothecation post loan closure
26	No Objection Certificate for Private to Commercial	Fixed	Fees charged to the customer for Issuing NOC for converting vehicle from Private to commercial

Sr No	Name of Fees & Charges	Amount based/ rate based	Description
27	Valuation charges	Fixed	Fees charged to the customer for valuing an asset
28	Account Opening Charges	Fixed	Fees charged to the customer for initiation of an account related to a loan secured by securities.
29	Pledge Confirmation Charges	Fixed	Fees charged to the customer for pledging shares
30	Pledge Invocation Charges	Fixed	Fees charged to the customer for invoking the pledge associated with the customer's shares (to cover NSDL/CDSL charges)
31	Demat Share Transfer Charges	Rate	Fees charged to the customer for transfer of Demat shares
32	Loan Rebooking Charges	Fixed	Fees charged to the customer for rebooking a loan on customer request
33	Depository Participant Charges	Fixed	Fees charged to the customer for custodial service for the securities held in Demat account
34	Cash Handling Charges	Fixed	Fees charged to the customer for disbursing the loan in cash mode.
35	Direct Cash Collection charges	Fixed	Fees charged to the customer for providing facility of repaying the loan in cash
36	Statement Issuance Charges	Fixed	Amount collected from customer for providing any statements.
37	Agreement copy charges	Fixed	Amount collected from customer for providing copy of agreement.
38	Administrative Charges	Fixed	Amount collected from customer for covering various Admin expenses.
39	Line of credit set up fee	Fixed	Amount collected from customer for setting up a credit line.
40	Money Loading Charges	Fixed / Rate	Charge collected from customer for loading money into payments wallet
41	Cash Deposit charges / Cash collection handling charges	Fixed	Fees charged to the customer for providing the facility of repaying the loan / EMI in cash

Sr No	Name of Fees & Charges	Amount based/ rate based	Description
42	Non-Utilization Fee	Rate	Charges for non-utilization of Interest free trade advance facility
Contingent fees and charges			
43	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.
44	Penal Interest	Rate	Interest charged to the customer for delay in payment of EMI
45	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
46	Instalment Default Charge	Fixed	Fees charged to the customer for not registering mandate on customer's bank
47	Part Prepayment Charges	Rate	Fees charged to the customer for allowing partial pre-payment of loan
48	Foreclosure Charges	Rate	Fees charged to the customer for allowing full pre-payment of loan
49	Legal Charges	Fixed	Fees charged to the customer for recovering legal cost
50	Legal & Repossession Charges	Fixed	Fees charged to the customer for legal processes and repossession cost incurred by the Company.
51	Stockyard Charges	Fixed	Fees charged to the customer for parking and managing repossessed vehicles securely
52	Audit / inspection charges	Fixed	Fees charged to the customer for audit and inspection services to ensure compliance
53	Notice Charges (Default / Intimation / LTV Breach / Final Auction Intimation)	Fixed	Fees charged to the customer to recover charges for issuing Notice
54	Auction Charges	Fixed	Fees charged to the customer to recover charges incurred to conduct auction

Sr No	Name of Fees & Charges	Amount based/ rate based	Description
55	Brokerage Charges	Fixed	Fees charged to the customer for selling customer shares in case of default by customer
56	RC hypothecation delay charges	Fixed	Fees charged to the customer for delay in receiving RC beyond a certain specified period post disbursal.
57	Cancellation Charges	Fixed	Fees charged to the customer to compensate processing cost in the event of cancellation of loan
58	Penal Charge	Fixed	Amount charged to the customer for delay in payment of EMI
59	Subsequent disbursement visit charge	Fixed	Charge levied to customer for subsequent visit of property for audit of property completion stage
60	Vehicle Valuation Charges	Fixed	Fees charged to the customer for valuating a vehicle.
Value Added Service offered by BFL			
61	EMI card fee	Fixed	Fees charged to the customer for providing an EMI card facility
62	Health EMI (HEMI) card	Fixed	Fees charged to the customer for providing Health EMI card facility
63	Add on Card Fee	Fixed	Fees charged to the customer for providing an additional EMI card / Health EMI card facility
64	Property Insight	Fixed	Fees charged to the customer for valuing an asset for risk assessment
65	CIBIL TransUnion Report Fee (CTR)	Fixed	Fees charged to the customer for providing CTR Report
66	Business Fitness Report	Fixed	Fees charged to the customer for providing BFR Report
67	Financial Pulse Report	Fixed	Fees charged to the customer for providing FPR Report
68	Practice Management Software	Fixed	Introducing value-added products in professional loans (Doctor Loans), such as software to manage patient records and clinic activities.

Sr No	Name of Fees & Charges	Amount based/ rate based	Description
Distribution of third-party Products and services			
69	Life Insurance	Fixed	Amount for Life insurance purchased / availed by customer
70	General insurance	Fixed	Amount for General insurance purchased / availed by customer
71	Health Insurance	Fixed	Amount for Health insurance purchased / availed by customer
72	Financial Fitness Report	Fixed	Amount for FFR Report purchased / availed by customer
73	Financial Fitness Detailed Report	Fixed	Amount for FFDR Report purchased / availed by customer
74	Credit Card	Fixed	Amount for Credit card availed by customer
75	GPS Device	Fixed	Amount for GPS device purchased / availed by customer
76	Buy Back Price Assurance	Fixed	Amount for buy back guarantee availed by customer
77	Assistance Products (Such as Extended Warranty, Fonesafe, Life secure, Asset Secure, Subscriptions)	Fixed	Amount for Assistance products purchased / availed by customer
78	Investment Plans	Fixed	Amount for Investment plans purchased / availed by customer
Payments Charges			
79	Payment Gateway transaction charges / Platform Charges / Transfer Charges	Fixed/Rate	Charges collected from customer for providing a platform for making digital payment / Transfers / Transactions
80	Load Money	Rate	Fees charged to load money through UPI /Credit/Debit cards/Net Banking
81	Payment of bills and recharges	Fixed / Rate	Fees charged to customer for payment of bills and recharges
82	Wallet to bank transfer	Rate	Fees charged to customer for transferring amount from wallet to bank

Sr No	Name of Fees & Charges	Amount based/ rate based	Description
83	Issuance charges	Fixed	Fees charged to the customer for issuance of Gift Card / Cobranded Gift Card / FASTag / Wallet
84	Replacement Fees	Fixed	Fees charged to the customer for issuance of replacement FASTag
85	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
86	On demand settlement - Processing Fees	Rate	Charges levied to Merchant to provide a feature of on demand settlement of payment
87	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
88	Txn SMS - SMS Charges	Amount	Charges for sharing alerts of the transactions and settlements to merchants on SMS
89	Courier charges	Amount	Charges for sending Soundbox to merchants through courier
90	FEES AND CHARGES for PayIn	Amount	Charges for setting up and maintenance of Payment Gateway applied to merchants who have availed PayIn services
91	Platform Utilization Fee	Amount	Charges for transaction on Payment Gateway applied to merchants who have availed PayIn services
92	FEES for Linkpay (Over and above Payin charges)	Amount	Charges for sending payment link via SMS or Email applied to payment gateway merchants
93	FEES AND CHARGES for Orchestrator	Amount	Charges for setting up, maintenance and transaction on Payment Gateway applied to merchants who have orchestrator services
94	FEES AND CHARGES for SI and Recurring	Amount	Charges for mandate registration and presentment applied to the Payment Gateway merchants