

Bilakhia Holdings Private Limited

FAIR PRACTICE CODE

Version	Date of Approval by the Board of Directors
V1	October 27, 2006
V2	April 23, 2012
V3	November 27, 2014
V4	January 21, 2020
V5	March 25, 2022
V6	September 6, 2025

INDEX

Sr. No.	Particulars
1.	Introduction
2.	Objective
3.	Scope
4.	Authorization
5.	Key Commitments
6.	Application for loans and their processing
7.	Loan appraisal and terms / conditions
8.	Disbursement of Loan (including Terms and Conditions)
9.	Key Fact Statements
10.	Penal Charges
11.	General
12.	Regulation on Rate of Interest
13.	Confidentiality
14.	Grievance Redressal Mechanism and Nodal Officer
15.	Periodic Review
16.	Force Majeure
17.	Update and Review

1. Introduction

Bilakhia Holdings Private Limited (hereinafter known as "The Company") is a Middle Layer Non Banking Financials Company (NBFC) registered with Reserve Bank of India (RBI). The main objective of the Company is to make long term investments with an objective is to preserve the capital, by prudent investment in different financial assets as approved by Board of Directors.

The main focus to support subsidiaries by way of interest free unsecured loan, investment in company (equity/ preference) and Corporate Guarantee, so that subsidiary companies can grow fast in the competitive world which in turn will create value for the Company. Investment shall be made with the objective considering the probable safety of the capital as well as the probable income derived. The Company recognizes that no investment is totally free from the risk and occasional risk is inevitable in diversified portfolio. The investment shall be made with due care and intelligence and not for the speculation.

This policy is prepared in line with the requirements prescribed by Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and various RBI notifications / directions ["RBI Regulations"] issued in this regard

The entire business of the company is carried on without accessing any public funds (including NCD, ICD, bank borrowings, etc.) and shall continue to operate as such unless change in strategy by promoters.

2. Objectives

- 2.1. To lay down a codified framework for best practices to be followed by the Company and all of its employees/ representatives in dealing with customers/ prospective customers.
- 2.2. Disseminate the policy guidelines in an effective manner to all stakeholders in general and to the Companies in the Group in particular.
- 2.3. Review & reinforcement mechanism to ensure high level of adherence to Fair Practices Code.
- 2.4. Establish a mechanism for constantly receiving feedback / grievances from Companies in the Group in order to improve the implementation of Fair Practices Code.

3. Scope

This Fair Practices Code applies to all the categories of products and services offered by the Company (Both currently offered and/ or which may be offered at a future date), and is to be adhered to, in letter and spirit, by all the employees / representatives of the Company.

Commitments outlined in this Code are applicable under normal operating environment. In the event of force majeure, the Company may not be able to fulfil the commitments under this Code.

In case of any discrepancy between this policy and any executed agreements, the terms and conditions of that agreement, insofar as they are distinct from this code, shall supersede this

Any directions issued by the RBI and / or the applicable directions, as amended from time to time, shall supersede this policy.

4. Authorization

Board of Directors

- 4.1. A grievance redressal mechanism within the organization shall be set up to resolve disputes arising in this regard. This Forum will ensure that all the disputes arising out of the decisions the Company's functionaries are heard and disposed of.
- 4.2. There will be a periodical review of the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at the levels of management. A consolidated report of such reviews will be submitted to the Board at regular intervals, as may be prescribed by it.

5. Key Commitments

The company's Key Commitments are as under:

- 5.1. The company is to act fairly and reasonably in all dealings by:
 - Meeting the commitments and standards in this Fair Practices Code for the financial products and services offered, and the procedures and practices followed
 - Ensuring that the Company's products and / or services are in compliance with the relevant laws and regulations
 - Making the Company's dealings rest on ethical principles of integrity and transparency
 - Providing professional, courteous and speedy services
 - Providing accurate and timely disclosure of terms and conditions, costs, rights and liabilities as regards financial transaction.
 - Not engaging in unlawful and/ or unethical practices
- 5.2. The company is to help understand how the financial products and/or services work by:
 - Ensuring that any advertising & promotional literature published is clear and is not misleading
 - Giving verbal information that is consistent with the literature shared
 - Explaining financial and legal implications of the transactions
- 5.3. The company is to deal quickly and sympathetically with the complaints / queries by way of:
 - Offering channels to route the complaints/ queries.
 - Correcting mistakes / errors expeditiously.
 - Assisting stakeholders to taking their complaints forward if they are not satisfied.
 - Reversing any changes that the company has applied erroneously, on an urgent basis.
- 5.4. The company is to disseminate accurate information to
 - Allow the Borrowers to have clear information explaining the key features of the services and products
 - Inform the documents / necessary information the Company needs from them to establish true identity and address and, other documents to comply with legal and

regulatory requirements.

- Give an exact idea on how the selected product or service will be implemented on the company's end and what all compliances need to be done on the customer's end.
- Provide details regarding the charges for any service or product, before the company provides that service or product.
- The company is to have copies of this code available for customers on request.

6. Applications for loans and their processing

- 6.1. The Company shall communicate to its borrower in English language however if the borrower is not able to understand the English language, the Company shall communicate as well as produce the lending kit either in Hindi or vernacular language whichever is the convenient to the borrower.
- 6.2. The Loan application forms shall include all necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other Non-Banking Financial Companies can be made and informed decision can be taken by the borrower. The loan application may also indicate the documents to be submitted with the application form.
- 6.3. The Company shall provide acknowledgement for receipt of all loan applications (over email / physical communication) and an indicative time frame within which loan application will be disposed off will be mentioned in such acknowledgement to the extent possible.

7. Loan appraisal and terms / conditions

- 7.1. The Company shall convey in writing to the borrower, in English or in the language as understood and confirmed by the borrower, by means of a written sanction letter of the amount of loan sanctioned or otherwise. The said letter shall contain the terms and conditions including the annualized rates of interest and method of application thereof and keep the acceptance of these terms and conditions in the Company's records.
- 7.2. The application form of the company shall also indicate the list of documents required to be submitted by the Borrowers along with the application form.
- 7.3. The Company shall mention the penal charges for late repayment in bold in the loan agreement / KFS.
- 7.4. Annual Percentage Rate (APR) shall be separately disclosed in Key Fact Statement (KFS) issued to customer along with other items as prescribed by RBI to be incorporated in KFS.
- 7.5. The Company shall obtain an acceptance from the borrower on the said sanction letter with the borrower's signature under the caption **"I/WE ACCEPT ALL THE TERMS AND CONDITIONS WHICH HAVE BEEN READ AND UNDERSTOOD BY US."** The company shall maintain a record of such acceptance.
- 7.6. The terms and conditions may mention penal charges for late payment or other

charges for breach in Material Terms and Conditions. The same shall be disclosed in bold in the Loan Agreement / Sanction Letter / KFS.

- 7.7. The Company shall furnish a copy of loan agreement along with a copy of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans. The company shall ensure that the loan agreements and enclosures furnished to all borrowers contain the terms and conditions and the rate of interest in the form of a term sheet, which shall be annexed to the loan agreement.

8. Disbursement of Loan (Including changes in Terms and Conditions)

- 8.1. Inform the borrower about any changes in terms, such as interest rates, charges, or disbursement schedules, in a language they understand.
- 8.2. The company shall ensure that any changes in interest rates and charges are only applied to future transactions, not retroactively.
- 8.3. Incorporate a provision in the agreement stating that changes will be applied prospectively.
- 8.4. Any decision to recall or accelerate the loan must align with the terms specified in the loan agreement by the company
- 8.5. The company shall release any securities once the loan is fully repaid, unless there are other outstanding claims.
- 8.6. If securities are retained due to other claims, provide the borrower with notice and details of the remaining claim.

9. Key Fact Statement

- 9.1. The company shall provide a KFS to all prospective borrowers to help them take an informed view before executing the loan contract, as per the standardized format given by the RBI
- 9.2. The company shall ensure that the KFS shall be written in a language understood by such borrowers. Contents of KFS shall be explained to the borrower and an acknowledgement shall be obtained that he/she has understood the same.
- 9.3. The KFS shall be provided with a unique proposal number and shall have a validity period of at least three working days for loans having tenor of seven days or more, and a validity period of one working day for loans having tenor of less than seven days. |
- 9.4. The KFS shall also include a computation sheet of annual percentage rate (APR), and the amortization schedule of the loan over the loan tenor. APR will include all the charges which are levied by the company
- 9.5. Charges recovered from the borrowers by the company on behalf of third-party service providers on actual basis, such as insurance charges, legal charges etc., shall also form part of the APR and shall be disclosed separately. In all cases wherever the charge is involved in recovering such charges, the receipts and related documents shall

be provided to the borrower for each payment, within a reasonable time.

9.6. Any fees, charges, etc. which are not mentioned in the KFS, cannot be charged by the company to the borrower at any stage during the term of the loan, without explicit consent of the borrower.

9.7. The KFS shall also be included as a summary box to be exhibited as part of the loan agreement

10. Penal Charges

10.1. The company shall ensure that penalty if charged for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalization of penal charges i.e., no further interest computed on such charges.

10.2. The company shall ensure that the quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan/product category.

10.3. The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges to nonindividual borrowers for similar non-compliance of material terms and conditions

10.4. The quantum and reason for penal charges shall be clearly disclosed by company to the customers in the loan agreement and most important terms & conditions/Key Fact Statement (KFS) as, in addition to being displayed on websites of company under Interest rates and Service Charges.

10.5. The company shall ensure that whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

11. General

11.1. The company shall not discriminate on the grounds of gender, caste or religion in its lending policy and activity.

11.2. In case of request for transfer of borrower's account, the Company's consent or otherwise shall be conveyed within 21 days of the receipt of the request. Such transfer shall be as per transparent contractual terms in consonance with applicable laws.

11.3. In the matter of recovery of loans, the Company shall strictly resort only to remedies which are legally and legitimately available to it and shall at no point in time resort to any form of undue harassment like bothering the borrowers at odd hours / use of muscle power for recovery of loans.

11.4. The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof is fair and transparent. The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

11.5. The Company shall not charge interest rate beyond a certain level which may be seen as excessive or not sustainable or not conforming to normal financial practices.

12. Regulations on Rate of Interest

12.1. The company shall have to determine the rate of interest, including penalties, for each borrower prior to granting a loan or lending facility.

12.2. The Board of Directors shall approve the interest rate model, considering factors such as the cost of funds, margin, risk premium, and other relevant elements to determine the interest rates on loans, advances, and processing charges.

12.3. The company shall disclose the rate of interest and rationale for any risk-based gradation to the borrower, providing this information in the application form, sanction letter (physical or digital), and on the relevant website/application.

12.4. Any changes to the rates of interest shall be promptly updated on the company's website/application or any other published medium to ensure borrowers are informed of the latest rates.

12.5. The interest rate shall be communicated as an annualized rate, with a clear explanation of how it is applied, ensuring the borrower fully understands the charges to be applied to their loan.

12.6. A periodic review of the Fair Practices Code compliance and grievance redressal mechanism shall be conducted by the company, and consolidated reports of these reviews shall be submitted to the Board of Directors regularly, especially when the company has lending exposures.

13. Confidentiality

13.1. All the borrower's personal information shall be treated as private and confidential

13.2. The Company will not reveal transaction details to any other entity including within the group other than the following exceptional cases:

- The Company has to provide the information by statutory or regulatory laws
- If there is duty to the public to reveal this information
- If Company have taken the customers permission (for instances at the time of Loan sanctioning) to provide such information to its Group /Associate /entities or Companies for providing other product or services.

14. Grievance Redressal Mechanism and Nodal Officer

14.1. A grievance redressal mechanism within the organization has been set up to resolve disputes arising in this regard of the stakeholders. This Forum will ensure that all the disputes arising out of the decisions the Company's functionaries are heard and disposed of at least at the next higher level.

14.2. The following information shall be displayed prominently at all the times, for the benefit of the stakeholder along with this policy on website as well physical place of operations of the Company i.e. Where business is transacted:

14.3. The name and contact details (Telephone / Mobile nos. As also email address) of the Grievance Redressal Officer who can be approached for resolution of complaints against the Company.

Name: Mr. Himmat Lodha
Designation: Nodal Officer
Telephone: 98244 99632
Email ID: Himmat.Lodha@m3investment.co.in
Address: Bilakhia House, Muktanand Marg, Chala, Vapi -396191, Gujarat.

14.4. The concerned officer shall be liable to resolve grievances of the customers against the company.

14.5. If the complaint / dispute is not redressed within a period of four weeks, the customer may appeal to the following Officer-in-Charge of the Ahmedabad Regional Office of Department of Supervision of the Reserve Bank of India.

The Officer-In-Charge,
Department of Supervision,
Reserve Bank of India, Ahmedabad

15. Periodic review

The Company shall review and refine this FPC as may be required from time to time based on its own experience and fresh guidelines, if any, issued by the RBI in this regard.

16. Force Majeure

The various commitments outlined and made by the Company are applicable under the normal operating environment. In the event of Force Majeure, the Company will not be able to fulfill the commitments under FPC to the entire satisfaction.

17. Update and Review

The policy shall be reviewed by the Board at least once in a year. The policy shall be further kept up-to-date with the latest guidelines industry developments as may be observed and considered necessary by the Board.

For Bilakhia Holdings Private Limited



Company Secretary

