SANTOSH INDUSTRIES LIMITED

CIN No. U51909WB1960PLC024531
Regd Office: Suite No. 5A, 5th Floor, 3A, Auckland Place, Kolkata – 700 017
Tel No. +91 33 2290 2277/ 3377, Email: sil@bmd.net.in

FAIR PRACTICE CODE

(Code last reviewed by the Board of Directors of the Company at their meeting held on 15.05.2026)

1. **Introduction:** The Reserve Bank of India (RBI) vide its Master Direction DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 has issued Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, issued Guidelines on Fair Practices Code to be adopted by NBFCs and in terms of the same, Santosh Industries Limited (the "**Company**") has adopted the Fair Practices Code ("**Code**").

   The RBI guidelines provide a broad framework for fair practice standards for the Company to follow when dealing with its customers.

   The company's policy is to treat all the clients consistently and fairly. The employees of the company will offer encouragement, assistance and service in a fair, equitable and consistent manner.

2. **Objective:** The Code has been developed with the following objectives:
   - Promote fair practices by setting minimum standards in dealing with customers;
   - Increase transparency through requisite disclosures by the Company as may be relevant to the customer and as prescribed by RBI from time to time;
   - Avoid using unfair practices;
   - Adapt practices which are best for dealing with the customer;
   - Foster customer confidence in the Company.

3. **Application:** The Fair Practices Code applies to the following categories of products and services offered by us: Loans, guarantees and other products in the nature of financial assets;

4. **Applications for loans and their processing:**
   a. Loan application forms of the company will include necessary information which are likely to affect the interest of prospective borrower, so that a meaningful comparison with the terms and conditions offered by the Non-Banking Financial Companies can be made and an informed decision is taken by the prospective borrower.
   b. The loan application form shall indicate the documents required to be submitted along with the application form.
   c. The company shall provide to the prospective borrower an acknowledgement for receipt of all loan applications. An indicative time frame within which the loan application will be disposed of will be mentioned in such acknowledgement.
   d. All communications to the borrower shall be in the vernacular language or language understood by the borrower.

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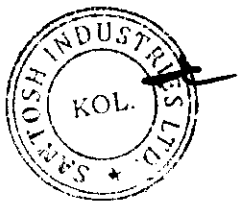
All communications should be in the letterhead of the company.

5. **Term Sheet for facilities and their processing:**
   a. At the outset of a transaction, the Company shall provide a detailed term sheet/sanction terms and conditions to the customer in a language understood by the customer or in the vernacular language.

      The term sheet shall contain:
      i. Details of the facility, including annualized interest rates including method of application thereof, fees charged and any other costs applicable, prepayment options etc.
      ii. Terms and conditions of sanction, including covenants and conditions that the customer is required to follow.
      iii. Necessary information required from the customer, including KYC requirements.

   b. The term sheet shall contain all necessary information required by the customer to meaningfully compare the terms of the Company's along with the terms available from other financial institutions, to enable an informed decision.
   c. The Company shall also indicate, either in the term sheet, or through a separate communication, the time frame within which the transaction is expected to be completed.
   d. The Company shall indicate in the term sheet, that the terms provided herein are subject to internal credit, legal and compliance requirements.
   e. The Company shall analyse / verify the information provided by the customer within a reasonable period of time. If additional details / documents are required, the Company shall intimate the customer at the earliest.

6. **Loan appraisal and terms / conditions:**
   a. The Company shall ensure that there is proper assessment of each credit application. The assessment shall be in line with the Company's credit and investment policies and procedures.
   b. If the credit assessment meets all necessary internal credit, legal and compliance requirements and is duly approved, the Company shall convey, in writing, the final terms of sanction to the customer through a term sheet. The term sheet shall contain the amount of loan sanctioned along with the terms and conditions including annualised rate of interest.
   c. The Company shall obtain an acceptance of the terms and conditions from the customer, as understood by the customer, or in the vernacular language, and keep the said acceptance on its record.
   d. A copy of the facility agreement / documentation, along with a copy each of all enclosures quoted in the loan agreement shall be furnished to the customer at the

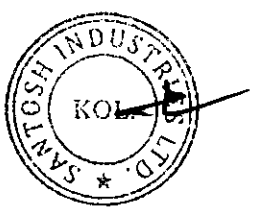


time of sanction / disbursement of loans. Penal interest charged in case of late repayment shall be highlighted in bold in the loan agreement.

7. **Disbursement of Loans:**
   a. The Company shall ensure timely disbursement of loans in conformity with the terms and conditions governing such loans as communicated to the customer.
   b. The Company shall give notice of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc., in a language understood by the customer, or in the vernacular language.
   c. The Company shall also ensure that changes in interest rates and charges are so affected only prospectively.

8. **General:**
   a. The Company shall not cause interference in the day-to-day affairs of the customer except as provided in the terms and conditions of the facility documentation (i.e. unless new information not earlier disclosed by the customer, or the occurrence of a materially adverse event, has come to the notice of the Company).
   b. The Company shall not discriminate on grounds of sex, caste and religion in the matter of dealing with its customers. However, this does not preclude the Company from participating in credit-linked schemes framed for weaker sections of the society.
   c. The Company shall not charge prepayment penalty on floating rate interest loans sanctioned to individual customers.
   d. In the matter of recovery of loans, the Company shall adopt legally valid processes and not resort to undue harassment or use of force viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. The company shall ensure its staff is adequately trained to deal with the customers in an appropriate manner.
   e. In case of receipt of request for transfer of borrowable account, either from the borrower or from a bank / financial institution that proposes to take over the account, the consent or objection, from the Company would be conveyed within 21 days from the date of receipt of request.

9. **Responsibility of Board of Directors:** The Board of Directors of the company has laid down the appropriate grievance redressal mechanism within the organization. Such a mechanism ensures that all disputes arising out of the decisions of lending institutions functionaries are heard and disposed of at least at the next higher level. The Board of Directors also provides for periodical review of compliance of Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews is submitted to the Board at regular intervals, as prescribed by it.



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10. Grievance Redressal Mechanism:

a. The Company shall designate a Grievance Redressal Officer ("**GRO**") to maintain a record of customer complaints. If a complaint is received in writing from a customer, GRO shall take the complaint on record and maintain the same in a database.
b. GRO shall endeavour to sort out the matter within 30 (thirty) days of receipt of a complaint.
c. The customer shall be updated at regular intervals regarding the status of the complaint by GRO.
d. The internal grievance redressal mechanism shall ensure that complaints arising out of the action / misconduct by any functionary within the Company, shall be referred by GRO for developing solutions and disposal of the complaint.
e. If the complaint/dispute is not redressed within a period of one month, the customer may appeal the Officer in Charge of the Regional Office of the DNBS of RBI under whose jurisdiction the registered office of the applicable NBFC falls.
f. In case of any complaints / grievances the customer may contact the Grievance Redressal Officer:

Name	Jyoti Bhartia
Address	Suite No 3A, 3rd Floor, 3A, Auckland Place, Kolkata- 700017
Phone No.	(033) 2290 2277
Email Id	jyoti.bhartia@bmd.net.in

g. In case the customer is not satisfied with the response of the Grievance Redressal Officer, or if no response is received, the customer may escalate the complaint to the Nodal Officer:

Name	Surendra Kumar Dugar
Address	Suite No 3A, 3rd Floor, 3A, Auckland Place, Kolkata- 700017
Phone No.	(033) 2290 3377
Email Id	skdugar@bmd.net.in/ sil@bmd.net.in

11. Regulation of excessive interest charged by applicable NBFC:

a. The Board of the company has adopted an interest rate matter model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different categories of borrowers is disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
b. The rate of interest and the approach for gradation of risks is made available on the website of the company. The information published in the website or otherwise published is updated whenever there is a change in the rates of interest.
c. The rate of interest is annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

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12. **Complaints about excessive interest charged by applicable NBFCs:** Board of directors of the company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.

13. **Disclosures & Review of Code:** A review of compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism would be done by the management at regular intervals and a consolidated report of such reviews shall be submitted to the Board of Directors. A consolidated report on the compliance of the Fair Practices Code shall be presented to the Board of Directors periodically for its review.

    This Code may be amended, modified or supplemented from time to time. The Code shall be reviewed every year by the Board of Directors of Company or whenever there is a significant change in law governing the subject matter of the Code.

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Director/Authorised Signatory