DHARANI FINANCE LIMITED

FAIR PRACTICE CODE

PGP GROUP

May 2025

DHARANI FINANCE LTD. No. 59, Sterling Road, Nungambakkam, CHENNAI-34

1. Preamble

Dharani Finance Limited, is a Non-Banking Finance – Non-Deposit taking Company registered with the Reserve Bank of India("RBI"), is presently engaged in the business of providing different type of loans & lease financing.

This Fair Practices Code ("Code") has been formulated in accordance with the Reserve Bank of India (RBI) Master Directions applicable to Non-Banking Financial Companies – Base Layer (NBFC-BL) and has been approved by the Board of directors. The Code aims to ensure transparency, fairness, and ethical conduct in all dealings with customers and to promote responsible lending practices.

2. Objectives of the Code

- To ensure fair and transparent practices in lending
- To provide adequate disclosure of loan terms and conditions
- To ensure ethical recovery practices
- To establish an effective grievance redressal mechanism
- To comply with RBI regulatory requirements

3. Application for Loans and Processing

3.1 All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.

3.2 Loan application forms shall include all necessary information affecting the interest of the borrower, enabling meaningful comparison with other lenders.

3.3 The application form shall clearly indicate the list of documents required to be submitted.

3.4 The Company shall acknowledge receipt of all loan applications. The indicative timeframe for disposal of applications shall also be communicated.

4. Loan Appraisal and Terms & Conditions

4.1 The Company shall convey the sanction of loan in writing, including:

- Amount of loan sanctioned

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- Annualised rate of interest and method of application
- Tenor of the loan
- Repayment schedule
- Penal charges, if any (highlighted clearly)

4.2 A copy of the loan agreement along with all enclosures shall be furnished to the borrower at the time of sanction/disbursement.

4.3 The Company shall provide a Key Facts Statement (KFS) for loans and advances in the format prescrihed by RBI.

5. Interest Rates and Penal Charges

5.1 The Board of Directors shall adopt an interest rate model considering cost of funds, margin, and risk premium.

5.2 Penal charges for non-compliance with material terms of the loan shall be treated only as "penal charges" and shall not be capitalised.

5.3 The quantum and reason for penal charges shall be reasonable, non-discriminatory, and transparently disclosed in the loan agreement, KFS, and Company website.

6. Disbursement of Loans and Changes in Terms

6.1 Disbursement shall be made as per agreed terms and conditions.

6.2 Any change in interest rate, service charges, or other terms shall be communicated in advance and shall be applicable prospectively.

6.3 Decision to recall or accelerate repayment shall be strictly in accordance with the loan agreement.

7. Release of Securities

7.1 All securities and original movable/immovable property documents shall be released within 30 days of full repayment or settlement of the loan.

7.2 In case of delay attributable to the Company, appropriate compensation shall be paid as per RBI directions.

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8. Recovery of Loans

8.1 The Company shall adopt responsible and ethical recovery practices.

8.2 Recovery agents shall not resort to harassment, intimidation, or coercion.

8.3 Borrowers shall not be contacted at odd hours.

8.4 Staff and recovery agents shall be adequately trained in customer handling and grievance management.

9. Repossession of Vehicles

9.1 The Company will have a re-possession clause in the contract / loan agreement with the borrower which can be legally enforceable. The terms and conditions of the contract / loan agreement shall also contain provisions for the following: -

9.1.1 notice period before taking repossession;

9.1.2 circumstances under which the notice period can be waived;

9.1.3 the procedure for taking possession of the security;

9.1.4 a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property.

9.1.5 the procedure for giving possession back to the borrower; and

9.1.6 the procedure for sale/auction of the property

9.2 A copy of the terms and conditions shall also be made available to the borrower.

10. Non-Discrimination

The Company shall not discriminate against borrowers on grounds of gender, caste, religion, disability, or any other prohibited grounds. Special assistance shall be provided to persons with disabilities.

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11. Grievance Redressal Mechanism

11.1 The Company shall have a Board-approved grievance redressal mechanism.

11.2 Complaints shall be addressed promptly and disposed of within stipulated timelines.

11.3 Grievance Redressal officer: Company has designated Mr. Sivabalan Nagarajan, as a Nodal officer for receiving & resolving the grievance and dispute of the customers. If customer's complaint/concern is not redressed within a period of 30 days, customer can lodge a complaint on RBI CMS portal - https://cms.rbi.org.in Or send complaint form to the authorities of the Reserve Bank of India. The contact details of Nodal officer are as follows:

Mr. Sivabalan Nagarajan,
Nodal officer, Dharani Finance Limited,
No. 59, (Old No. 57) Sterling Road, Nungambakkam, Chennai 600034
email id: dfl@pgpgroup.in
website: www.dharanifinance.com

12. Responsibility of the Board

12.1 The Board of Directors shall ensure implementation and periodic review of this Code & functioning of the Grievance Redressal Mechanism.

12.2 A compliance report on the Fair Practices Code and grievance redressal shall be placed before the Board at regular intervals.

13. Display and Communication of the Code

This Fair Practices Code shall be:

- Approved by the Board of Directors
- Displayed on the Company's website
- Made available at the registered office & at all branches for customer reference

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14. Review and Amendments

The Board of directors in their meeting held on 28th May 2025 has authorised Mr. Murugavel Ramasamy, Managing Director of the Company to review periodically and approve any modifications as required to align with RBI guidelines and regulatory changes.