



Fair Practice Code

Thirumeni Finance Private Limited

Thirumeni Finance Private Limited (Hereinafter referred to as Company or Varthana) is a Non Deposit Taking NBFC registered with the Reserve Bank of India. It uses the brand name Varthana to communicate with its customers. This document provides details of the practices which Varthana follows to ensure fair and transparent dealings with its customers and is compliant with the RBI Circular DNBS CC No 320/03.10.001/2012-13 dated February 18, 2013. This code will enable employees to provide better customer service and maintain transparency in business dealings with its customers.

This Fair Practice Code supersedes all previous versions.

Application of the Code

This code shall apply to all employees of the company and other persons authorized to represent it in the course of its business with respect to all products and services.

Commitment

Company shall adhere to this code to act fairly and reasonably in all dealings, on the ethical principle of integrity and transparency, to meet the standard practices prevalent in the finance industry.

- a. The Company will provide clear and transparent information to customers in the language of their preference so as to enable them to understand:
 - i. Terms and conditions of the products and services offered including the interest rate and service charges.
 - ii. Benefits available to customers
- b. Products and services of the company will meet relevant laws and regulations in both letter and in spirit.
- c. The Company will act quickly in correcting mistakes and attending to complaints lodged by its customers.
- d. The Company shall not discriminate amongst its prospective/existing customers on the basis of age, race, caste, gender, marital status, religion or disability.
- e. A copy of the code will be posted on the Company's website and in a visible location at each branch office.
- f. A copy of the code may be provided on request to any prospective or existing customer.

A. (i) Application for loans and their processing

- a) All communication to the borrower shall be explained to the borrower in the language understood by the borrower.
- b) Loan application forms shall include necessary information that affects the interest of the borrower and an informed decision can be taken
- c) Acknowledgement for receipt of all loan applications will be given to the borrower.
- d) Normally, all particulars required for processing the Loan Application will be collected by the Company at the time of application. In case it needs any additional information, the customer will be informed to provide the same.
- e) The Company may verify the details mentioned by the customer in the loan application by contacting him/her at his/her residence and/or on business telephone numbers and/or physically visiting his/her residence and/or business addresses through agencies appointed for this purpose, if deemed necessary.

(ii) Loan appraisal and terms/conditions

- a) Every loan approval shall be communicated to the borrower by way of a Sanction Letter which shall include the key terms and conditions of the loan including the loan amount approved, processing fees, annualized rate of interest, tenor of the loan, penal charges, etc. Contents shall be explained to the borrower in a language understood by the borrower.
- b) A copy of the loan agreement shall be given to the borrower for records and the contents explained in a language understood by the borrower.

(iii) Disbursement of loans including changes in terms and conditions

- a) Should there be any changes in the terms and conditions, a notice shall be given in a language understood by the borrower indicated the change of terms. Changes in the interest rates and charges shall be effected only prospectively.
- b) Any decision to recall/accelerate payment or performance shall be in consonance with the loan agreement.
- c) All securities shall be released on repayment of all dues or on realization of the outstanding amount as long as the Company's legitimate right or lien for any other claim is not violated. If such set-off is to be exercised, the Company shall give notice about the same with full particulars to the borrower.

(iv) General

- a) Varthana will not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of the Sanction Letter and Loan Agreement unless new information, not earlier disclosed by the borrower comes to the notice of the Company.
- b) For any request for Balance Transfer received from the borrower, the consent or otherwise shall be communicated within 21 days of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with the law.

- c) Varthana shall not resort to undue harassment for recovery of dues. Proper training shall be given to the field staff to ensure that borrowers are dealt in an appropriate manner.
- d) The Board of the Company shall review the redressal of grievances at regular intervals. The management shall place before the board the status of all complaints at regular intervals.
- e) The details of the Grievance Redressal Officer (including name, address, contact number, email ID, etc) shall be prominently displayed at the branches and also posted on the website
- f) In case the complaint is not redressed within a period of one month, the borrower may appeal to the Officer in Charge of the Regional Office of the Department of Non Banking Supervision, Thiruvananthapuram under whose jurisdiction the registered office of the Company falls.

Confidentiality

The Company shall collect personal information that it believes to be relevant and required to understand the customer's profiles and conduct its business. The Company shall treat all personal information of customers as private and confidential and shall not divulge any information to a third person unless required by any law or Government authorities including Regulators or Credit agencies or where the sharing of information is permitted by the customer. If company shall avail services of any third party for providing support services, Company shall require that such third parties handle customers' personal information with the same degree of confidentiality.

Advertising, Marketing and Sales

- a. The Company shall ensure that all advertising and promotional material is clear, and not misleading.
- b. The Company may, from time to time, communicate to customers various features of their products availed by them. Information about their other products or promotional offers in respect of products / services may be conveyed to customers only if he / she has given his / her consent to receive such information / service.

Guarantors

When a person is considered to be a guarantor to a loan, company shall inform him/her the following under acknowledgement:

- a. Letter/ Deed of Guarantee stating the terms of liability as guarantor.
- b. Company shall keep him/her informed of any default in the servicing of the loan by the borrower to whom he/she stands as a guarantor.



Credit Bureau/ Reference agencies

The Company may give information to Credit Bureau/ Reference agencies about the personal debts, the customer owes to it if:

- a. The customer has fallen behind with his / her payments;
- b. Legal proceedings have been initiated against the customer to recover the dues.
- c. Debts settled through legal recourses against the customer.
- d. It is mandated by law/arrangement with Credit Bureau to provide the information of all such customers to such agencies. A clause to this effect has been included in the Loan Agreement seeking the customer's consent to share information on his loan with Credit Bureaus.

INTEREST RATE POLICY

Policy on Interest Rate Model, Policies and Procedure on determining Interest Rates and other charges

Keeping in view the RBI's guidelines advising the Boards of NBFCs to lay out appropriate internal principles and procedures in determining interest rates, processing and other charges, the following internal guidelines, policies, procedures will be taken into account when determining interest rates or other charges:

- The interest rates applicable to loans will be approved by the Credit Committee, from time to time.
- These rates will be based on the cost of borrowed funds, matching tenor cost, market liquidity, RBI policies on credit flow, offerings by competition, market reputation, cost of disbursements, cost of capital required, inherent credit and default risk in the products and the profile of the customers, industry trends, ancillary business opportunities, future potential, group strength, overall customer yield, nature and value of primary and collateral securities, past repayment track record of the customers, external ratings of the customers etc. The rate of interest may be different for different customers depending upon an evaluation of the factors listed above.
- Interest rates will be intimated to the customers at the time of sanction of the loan and the interest and principal repayment schedule will be made available to the customer.
- The interest shall be deemed payable immediately on the due date as communicated and no grace period for payment of interest is allowed.
- Besides normal interest, the company may levy additional interest for ad hoc facilities, penal interest for any delay or default in making payments of any dues. This additional or penal interest for different products or facilities will be approved by the Credit Committee.
- Besides interest, other financial charges like processing fees, late payments, RTGS/ other remittance charges, etc. may be levied by the company under due communication to the customer, wherever considered necessary. Any revision in these charges would be with prospective effect.
- Claims for refund or waiver of charges/ penal interest / additional interest will normally not be entertained by the company and it is the sole discretion of the company to deal with such requests if any.
- The interest re-set period will be decided by the company from time to time and communicated to the customer.
- The interest rate policy will be available on the website and updated from time to time.



Grievance Redressal

In case of any complaint/grievance, the applicant/borrower may contact the corporate office:

Name: Brajesh Mishra
Designation: Chief Operating Officer
Contact Number: 080 6888 8201
Email: brajesh@varthana.com
Website: www.varthana.com

Address:

Thirumeni Finance Private Limited
2nd Floor, 'Supraja', 4th Cross, 2nd Block,
HRBR Layout, Kalyan Nagar
Bangalore 560043

If the complaint/grievance is not resolved within a period of one month, the applicant/borrower may appeal to the Officer-in- Charge of the Regional Office of the Reserve Bank of India at the following address:

Officer-in-Charge of DNBS
Reserve Bank of India
Department of Non-Banking Supervision
Bakery Junction
Post Box No 6507
Thiruvananthapuram 695 033

Phone: 0471 233 8818
Fax: 0471 232 0308
Email: [dnbsthiro@rbi.org.in](mailto:dnbsthro@rbi.org.in)