



VARTHANA FINANCE PRIVATE LIMITED

Fair Practice Code

Version BR23

Varthana Finance Private Limited,

Approved by the board on May 17, 2023

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1. Introduction

Varthana Finance Private Limited (Formerly 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. Further the RBI has extended the coverage of Ombudsman Scheme for Non-Banking Financial Companies (NBFCs) vide RBI Integrated Ombudsman Scheme, Nov 2021 (the Scheme) to eligible Non Deposit Taking Non Banking Financial Companies (NBFC-NDs). 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.

Registered Office:

Varasiddhi, 3rd Floor, 5 BC-110 Service Road, 3rd Block, HRBR Layout, Bangalore - 560 043

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2. 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.

3. Commitment

The 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:
- b. Terms and conditions of the products and services offered including the interest rate and service charges. ii. Benefits available to customers
- c. 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.

4. 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.

5. 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.
- b. Contents shall be explained to the borrower in a language understood by the borrower.
- c. 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.

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6. 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 indicating 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 sanction letter/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.

7. 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/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 in line with the regulatory guidelines and Varthana code of conduct.
- 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 cum Nodal 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, Bengaluru under whose jurisdiction the registered office of the Company falls.

8. 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.

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9. 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.

10. 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.

11. Credit Bureau / Reference Agencies

The Company may give information to Credit Bureau/ Reference agencies about the personal debts, the customer (including a Guarantor) 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 recourse against the customer.
- d. It is mandated by law/arrangement with the Credit Bureau to provide the information of all 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.

12. Grievance Redressals

The Company for this purpose, has framed different levels for addressing and solving the Customer's Complaints by appointing Grievance Redressal cum Nodal Officer & Compliance cum Principal Officer, the details of which is indicated below:

Grievance Redressal cum Nodal Officer:

Mr. Chandra Kumar CS,
Varthana Finance Private Limited
(Formerly Thirumeni Finance Private Limited)
Varasiddhi, No. 5BC – 110, 3rd Floor,
Service Road, 3rd Block HRBR Layout,
Bangalore – 560043
Email: chandra.kumar@varthana.com
Ph: 080 - 68455777

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Grievance Redressal cum Nodal Officer, so appointed by the Company shall take all necessary steps to redress and resolve the grievance and to send a response as soon as possible and, in any case, not later than a maximum period of 21 working days from the receipt of customer complaint by him.

The department heads are responsible jointly and severally for resolution provided by their teams and for closure of customer issues.

13. Escalation Matrix:

In case the complaint is not resolved within the given time (i.e. 21 working days) or if the customer is dissatisfied with the response received from the Company, the customer may escalate the complaint to the Primary Level – I as indicated below –

A. Primary Level I:

Compliance cum Principal Officer:

Mr. Brajesh Mishra

Varthana Finance Private Limited
(Formerly Thirumeni Finance Private Limited)
Varasiddhi, No. 5BC – 110, 3rd Floor,
Service Road, 3rd Block HRBR Layout,
Bangalore – 560043
Email: brajesh@varthana.com
Ph: 080 - 68455777

B. Secondary Level II:

If the complaint/grievance is not resolved within a period of 30 working days from the receipt of escalation, the applicant/borrower may appeal to the Officer-in-Charge of the Regional Office of the Reserve Bank of India at the following address:

Reserve Bank of India
Department of Non-Banking Supervision (DNBS)
Regional Office
10/3/8, Nrupathunga Road
Bengaluru 560001
Karnataka, India
Email: dnbsbangalore@rbi.org.in

The customer can also approach the office of NBFC ombudsman, the detailed scheme i.e. “The Ombudsman Scheme for Non-Banking Financial Companies, 2018” is attached as **Annexure -**

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Address and Area of Operation of NBFC Ombudsman

SN	Centre	Address of the Office of NBFC Ombudsman	Area of Operation
1.	Chennai	C/o Reserve Bank of India Fort Glacis, Chennai 600 001 STD Code: 044 Telephone No : 25395964 Fax No : 25395488 Email : nbfcchennai@rbi.org.in	Tamil Nadu, Andaman and Nicobar Islands, Karnataka, Andhra Pradesh, Telangana, Kerala, Union Territory of Lakshadweep and Union Territory of Puducherry
2.	Mumbai	C/o Reserve Bank of India RBI Byculla Office Building Opp. Mumbai Central Railway Station Byculla, Mumbai-400 008 STD Code: 022 Telephone No : 23028140 Fax No : 23022024 Email : nbfc Mumbai@rbi.org.in	Maharashtra, Goa, Gujarat, Madhya Pradesh, Chhattisgarh, Union Territories of Dadra and Nagar Haveli, Daman and Diu
3.	New Delhi	C/o Reserve Bank of India Sansad Marg New Delhi -110001 STD Code: 011 Telephone No: 23724856 Fax No : 23725218-19 Email : nbfcnewdelhi@rbi.org.in	Delhi, Uttar Pradesh, Uttarakhand, Haryana, Punjab, Union Territory of Chandigarh Himachal Pradesh, and Rajasthan and State of Jammu and Kashmir
4.	Kolkata	C/o Reserve Bank of India 15, Netaji Subhash Road Kolkata-700 001 STD Code: 033 Telephone No : 22304982 Fax No : 22305899 Email : nbfcokolkata@rbi.org.in	West Bengal, Sikkim, Odisha, Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Bihar and Jharkhand

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Version Control

Version	Particulars of Creation / Revisions	Audit Committee Approval Date	Board Adoption date
Version 1.0/2019- 20	Fair Practice Code – Reviewed	August 14, 2019	August 14, 2019
Version 1.1/2020- 21	Fair Practice Code – Reviewed with certain additions	May 26, 2020	May 27, 2020
Version 1.2/2021- 22	Fair Practice Code – Updation with respect to “RBI Integrated Ombudsman Scheme, Nov 2021”	February 15, 2022	February 16, 2022
Version 1.2/2022- 2023	Annual Review-No changes	May 17, 2022	May 18, 2022
Version BR23	Annual review - updation of details of Grievance cum Nodal officer and formatting changes	May 16, 2023	May 17, 2023

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