



Fair Practices Code

Approved by the Board of Directors of
Vivifi India Finance Private Limited on July 25, 2018

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Revision History

Para #	Version	Particulars	Revision Date	Updated By	Approved By
1	1.0	Updated the reference to the Master Direction of the Reserve Bank of India (RBI) in the Introduction section.	2018-08-04	Priyatham Raj	Patrick Kishore

1. INTRODUCTION

The Reserve Bank vide its **Master Direction DNBR.PD.007/03.10.119/2016-17, updated as on May 31, 2018** issued guidelines on Fair Practices Code (FPC) for all NBFCs to be adopted by them while doing lending business. The guidelines, inter alia, cover general principles on adequate disclosures on the terms and conditions of a loan and also adopting a non-coercive recovery method. Vivifi India Finance Pvt Ltd. (Vivifi) commits itself to be entirely fair and transparent in all its dealings with the customers, and stakeholders and to rigorously comply with all guidelines of the regulators (RBI) in this regard.

2. GUIDING PRINCIPLES ON FAIR PRACTICES CODE

A. (i) Applications for loans and their processing

The Online Lending Platform

Vivifi being an online lender, customers will apply for loans by registering and applying for the loans on the Company web site www.vivifin.com or the product web site www.flexsalary.com as well as through the Flexsalary mobile App published on Google Play store and App store. Borrowers can draw funds from the sanctioned loans as well as pay back principal, interest and charges online through the Lending Platform or directly from their bank account to the designated bank account of Vivifi.

Vivifi does not put through any transactions in cash but will route all loan disbursements and receive all payments through banking channel only.

All communications to the borrower will be in English or a language as understood by the borrower. While Vivifi endeavors to be a paperless, online platform for the entire loan lifecycle, wherever a customer desires, the paper option will be provided.

Loan application forms will include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and an informed decision can be taken by the borrower. The loan application form will indicate the documents required to be submitted with the application form.

Vivifi also proposes to offer facility for electronic signature (eSign) on loan documents presented to the borrower online, in conformity with the Information Technology Act 2001. The Electronic Signatures facilitated through eSign Online Electronic Signature Service are legally valid provided the eSign signature framework is operated under the provisions of Second Schedule of the Information Technology Act and Guidelines issued by the Controller. Please refer *Electronic Signature or Electronic Authentication Technique and Procedure Rules, 2015 - e-authentication technique using e-KYC services*.

Borrowers will also have the option of manually signing the documents and sending them to Vivifi.

Vivifi will give acknowledgement for receipt of all loan applications online. The time frame within which loan applications will be disposed of will also be indicated in the acknowledgement.

(ii) Loan appraisal and terms/conditions

The eligibility and quantum of loan offered will be assessed based on the information provided by the customer and using third party data including but not limited to Credit Bureau Information. Vivifi will convey in writing to the borrower in English or the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with

the terms and conditions including processing charges, annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. The penal interest charged for late repayment will also be informed in the loan agreement.

In order to avoid disputes between Vivifi and the borrower with regard to the terms and conditions, Vivifi will furnish a copy of the loan agreement as understood and accepted by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans, so that borrowers are fully aware of the terms and conditions of the loans including processing charges and rate of interest at the time of sanction of loans. Borrowers can download these documents from the lending platform.

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

Vivifi will give notice to the borrower in English or the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Vivifi will also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard will be incorporated in the loan agreement.

Decision to recall / accelerate payment or performance under the agreement will be in consonance with the loan agreement.

Vivifi shall release all securities, if any, on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim Vivifi may have against borrower. If such right of setoff is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which Vivifi is entitled to retain the securities till the relevant claim is settled/ paid.

(iv) General

Vivifi shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).

In the matter of recovery of loans, Vivifi shall not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. Vivifi shall ensure that the staff are adequately trained to deal with the customers with courtesy and due regard.

As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers of banks and NBFCs, Vivifi shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect.

(v) Responsibility of Board of Directors

Vivifi has a Board approved grievance redressal process within the organization. Such a mechanism ensures that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level. The process also provides for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews is required to be submitted to the Board at regular intervals.

(vi) Grievance Redressal Officer

At the operational level, Vivifi has displayed the following information prominently, for the benefit of their customers, on the company web site as well as the product web sites through which business is transacted:

- a. The name and contact details of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company are published as Grievance Redressal Policy on the company website.
- b. If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI, Hyderabad (dnbshyderabad@rbi.org.in), under whose jurisdiction the registered office of Vivifi falls.

The public notice on the company web sites serves the purpose of highlighting to the customers, the grievance redressal process followed by the company, together with details of the grievance redressal officer and of the Regional Office of the RBI.

(vii) Language and mode of communicating Fair Practice Code

This Fair Practices Code, which is based on the guidelines outlined by RBI is in English and, the vernacular language or a language as understood by the borrower, will also be displayed at all places of business of VIVIFI and on their web-sites for the information of various stakeholders.

(viii) Regulation of excessive interest charged by NBFCs

- a. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers will be disclosed to the borrower or customer while filling in the application form and informed explicitly when communicating the sanction of the loan.
- b. The rates of interest and the approach for gradation of risks are also available on the web-site of Vivifi under the Interest Rate Model Policy. The information published in the website or otherwise published will be updated whenever there is a change in the rates of interest.
- c. The rate of interest is annualized rate so that the borrower is aware of the exact rates that would be charged to the account.
- d. All other charges payable by borrowers will be displayed on the web sites and will be informed explicitly when communicating the sanction of the loan.