

# ASPIRE FINANCE PRIVATE LIMITED

CIN: U65929KA2022PTC167759

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## COLLECTION AND RECOVERY POLICY

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Policy owner	Board of Directors
Approved by	Board of Directors

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## 1. OBJECTIVE

Aspire Finance Private Limited (“**Aspire**” or “**We**” or “**Us**” or “**Our**”) is a non-banking financial company (“**NBFC**”) which is *inter alia* engaged in providing financial services to its customers (“**Customer(s)**”). Aspire is dedicated to ensuring the timely and efficient recovery of outstanding dues while upholding the highest standards of ethical conduct, maintaining Customer relationships, and complying with all applicable laws and regulations governing debt collection and recovery in Our jurisdiction. Our aim is to strike a balance between safeguarding the interests of the NBFC and demonstrating empathy towards Our customers facing financial challenges. For collection of dues from its Customers, Aspire appoints certain third-party service providers, i.e., collection agents, who have the requisite authorisations, licenses as a ‘debt recovery agent’ (“**Collection Agent**”) and provide sufficient skilled personnel for provision of collection and recovery services to Aspire. The Collection Agent and his employees are not employees of Aspire. There exists only a principal–agent relationship between Aspire and the Collection Agents. Through this Collection and Recovery Policy (“**Policy**”), We seek to establish clear guidelines that foster a transparent, fair, and customer-centric approach to the collection and recovery process. All entities and individuals empanelled as Collection Agents by Aspire shall adhere to this Policy. Any reference to ‘Collection Agent’ in this Policy shall refer to both, the agencies/ firms engaged by the Aspire for collection and recovery of loans and the employees appointed by them for carrying out such activities.

## 2. LEGAL AND REGULATORY COMPLIANCE

Aspire is steadfast in its adherence to all relevant laws, regulations, and guidelines governing debt collection and recovery activities. This includes, but is not limited to, the ‘Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023’ issued by the Reserve Bank of India (“**RBI**”), and RBI’s circular on “Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents” dated August 12, 2022. We are committed to remaining vigilant regarding any modifications or additions to all applicable regulations, ensuring that Our practices consistently align with the legal framework established by regulatory authorities. Our dedication to operating with the utmost integrity and transparency underscores the importance We place on legal compliance in all Our collection and recovery efforts. The Collection Agents must ensure compliance with all applicable laws, and this Policy. The Collection Agents shall also adhere to the terms and conditions of the service provider agreement executed with Aspire prior to appointment as a Collection Agent by Aspire. Further, the Collection Agents shall adhere to Aspire’s Fair Practices Code displayed on the website, in addition to this Policy.

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## 3. COMMUNICATION

All Customers (including Customers who are late in paying or in default) must be treated with respect, dignity, courtesy, and fairness in collection and recovery efforts. At Aspire, We understand the vital role of clear and respectful communication in the debt collection and recovery process. Our communication practices strictly adhere to the guidelines set out by the RBI and other relevant regulations. We are committed to fostering open and transparent dialogue with Our customers throughout the collection process.

The Collection Agents must identify himself / herself as a representative of Aspire. The Collection Agents should always, at the beginning of every interaction, inform the customers or the customers' appointed representative or blood relatives that such Collection Agent is a representative of Aspire.

Collection Agents must treat all Customers with dignity. Collection Agents must not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including (a) acts intended to humiliate publicly or intrude upon the privacy of the Customers' family members, referees and friends; (b) sending inappropriate messages either on mobile or through social media; (c) making threatening and/ or anonymous calls; (d) persistently calling the Customer and/ or calling the Customer before 8:00 a.m. and after 7:00 p.m., for recovery of overdue loans; and (e) making false and misleading representations. Collection Agents should always remain professional during telephone conversations and visits, and are strictly prohibited from making telephone calls without meaningful disclosure of the caller's identity. Collection Agents should use only acceptable business language, even if the other party does not.

Collection Agents deserve to be treated with dignity, and may refer the Customer to Aspire's management, or end calls when a Customer becomes abusive or threatening. Collection Agents shall ensure that Customers are informed of the same prior to termination of such calls. All calls where the Customer becomes abusive or threatening should be appropriately documented by the Collection Agents.

Collection Agents should ensure that the Customer is contacted at the address registered with Aspire. Collections Agent should, as far as possible, use the language which the Customer is comfortable with, and should not have any discussion of a personal nature with the Customer. Customers and any persons related to the Customers are entitled to privacy and the Collection Agents must respect this right. Collection Agents should ensure that all written and verbal communication with the Customers is in simple business language. Collection Agents shall ensure that Customers are only called between 08:00 Hrs and 19:00 Hrs, unless due to the special circumstance of Customer's business or occupation or other engagements, the Customer has specifically requested that he / she be contacted at a different time. In the event the Customer requests to avoid calls at a particular time or visits at a particular place, the Collection Agents shall ensure that the same is accommodated, as far as possible.

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Collection Agents should use respectful language, maintain decorum, and show respect to social and cultural sensitivities. Collection Agents should ensure that inappropriate occasions such as bereavement in the customer's family or such other calamitous occasions are avoided for making calls / visits to collect dues.

Collection Agents should ensure that all communications to the Customer is through pre-approved templates and is done using phone numbers registered by the Collection Agents with Aspire. Collection Agents should ensure that bulk messages are not shared with Customers without Aspire's approval. Collection Agents must document the efforts made for the recovery of dues and the copies of communication, if any, sent to the Customers must be kept on record by the Collection Agents, for a period of 365 days. Further, Collection Agents shall issue suitable receipts to the Customer on receipt of repayment amounts, in the manner communicated by Aspire to the Collection Agent from time to time.

The Collection Agents shall not initiate any legal or other recovery measures (including repossession of security, as applicable) without obtaining Aspire's due consent in writing and will be permitted to proceed with such actions in a manner communicated by Aspire to the Collection Agents, only after being duly authorized by Aspire's officers at appropriate levels.

Aspire is dedicated to furnishing clear and comprehensive information regarding outstanding dues, including details about the principal amount, interest rates, and any applicable fees, and the Collection Agents shall ensure that only such accurate information is communicated to the Customers.

## 4. CUSTOMER INFORMATION AND PRIVACY

At Aspire, safeguarding Customer information and upholding privacy standards are foundational principles embedded within Our Policy. We prioritize ensuring the confidentiality, integrity, and security of all customer data, fully compliant with pertinent data protection laws and regulations. As Collection Agents receive Customer information as part of provision of services to Aspire, a specific obligation is imposed under this Policy for compliance with all applicable data privacy requirements under applicable laws. All Customer information shall only be shared by a Collection Agent with its personnel on a strictly need-to-know basis. Collection Agents shall ensure that all information collected during the debt collection and recovery process serves solely to facilitate the repayment of outstanding dues and, shall ensure strict adherence to legal obligations. Collection Agents shall strictly be prohibited from making any unauthorized disclosure or sharing of Customer information with third parties, except as mandated by law.

Aspire implements stringent security measures to prevent unauthorized access, disclosure, alteration, or destruction of Customer data. Collection Agents shall undergo comprehensive training to handle Customer information with the utmost care and confidentiality, with access limited to individuals with a genuine need for it in their roles.

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## 5. TRANSPARENCY AND CUSTOMER ASSISTANCE

At Aspire, transparency and providing comprehensive Customer assistance are fundamental pillars of our Policy. We believe in fostering trust and understanding throughout the debt collection and recovery process by maintaining open communication and offering support to Our Customers. Transparency is ingrained in Our approach, ensuring that customers are fully informed about their financial obligations, including outstanding dues, interest rates, fees, and any applicable terms and conditions. We strive to provide clear and accessible information, empowering Customers to make informed decisions and actively engage in resolving their financial commitments.

Collection Agents should not (a) mislead Customers about their true business, organization name, or identity; (b) mislead Customers about the action proposed and consequences thereof; (c) make any unauthorized commitments on Aspire's behalf for any waivers /settlements/compromises/time extension; (d) discuss Customer's loan details with any third party without the Customer's consent, and should not disclose any information about the Customer to any person related to the Customer; (e) use muscle power to recover loans from Customers, and should ensure there is no coercion in the recovery process; (f) accept any gifts or bribes from Customers, and in the event any Customer offers a gift or bribe, the Collection Agent shall immediately report the same to Aspire; and (g) make any false statements and/or claims of being affiliated with any governmental agency, or being a legal practitioner, or produce any written communication that would imply such affiliation or indicate that the same is from a legal practitioner to intimidate the Customer.

Collection Agents should respect personal space of Customers and maintain adequate distance during all interactions with Customers. Further, Collection Agents shall ensure that they do not (a) forcefully enter the Customers' residence; (b) restrict the Customers' movement; (c) continue to remain in the Customers' premises, once the Customer leaves such premises; or (d) engage in any action that could damage Aspire's integrity and reputation and shall observe strict Customer confidentiality.

Moreover, We are committed to offering proactive Customer assistance and support. Our dedicated team is available to address inquiries, provide guidance on repayment options, and assist Customers in navigating any challenges they may encounter. We understand that financial difficulties can arise, and We are here to work collaboratively with Our Customers to find viable solutions tailored to their individual circumstances. Through transparent communication and responsive customer assistance, We aim to foster a positive and constructive relationship with Our Customers, promoting mutual trust, respect, and cooperation throughout the collection and recovery journey. In case of any challenges encountered by the Customer, the Collection Agent shall promptly share contact details of the relevant person for grievance redressal at Aspire, with the Customer.

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## 6. TRAINING AND COMPLIANCE MANAGEMENT

At Aspire, We place significant emphasis on staff training and compliance management to uphold ethical conduct and legal standards in Our debt collection and recovery operations.

Our comprehensive training initiatives ensure that Our Collection Agents are well-versed in ethical debt collection practices, effective communication strategies, and proper handling of Customer information. Through regular workshops and educational resources, We continually enhance the professionalism and competence of Our staff.

We maintain a robust compliance management framework to continually monitor and evaluate Our collection and recovery practices. This involves conducting regular audits, reviews, and assessments to ensure alignment with internal policies and external regulatory requirements. Our dedicated compliance team closely monitors key performance indicators, conducts quality assurance checks, and promptly addresses any compliance issues that may arise. Collection Agents may be subject to audits by Aspire or by persons authorised by Aspire, from time to time, to ensure Collection Agents' adherence to this Policy and to applicable laws.

Furthermore, We actively promote a culture of accountability and transparency within Our organization, encouraging staff members to report any concerns or violations they encounter. We take all reports seriously, investigate them thoroughly, and implement appropriate corrective measures to mitigate risks and uphold the integrity of Our operations. Through Our commitment to training and compliance management, We strive to maintain the highest standards of professionalism, integrity, and legal compliance in Our debt collection and recovery activities, thereby fostering trust and confidence among Our Customers.

Collection Agents shall immediately notify Aspire in writing of any event which may result in, or which gives reason to believe that there may be a work stoppage, slowdown or other impediments or disruptions in the due performance of the obligations of the Collection Agent to Aspire. The obligations prescribed in this Policy are only indicative and Aspire expects the Collection Agents to be prudent and use their judgment when dealing with Customers. Aspire may modify this Policy to add further obligations and communicate other obligations from time to time to ensure compliance with all legal and regulatory requirements. Collection Agents shall comply with all such communications received from Aspire.

## 7. DISPUTE RESOLUTION

At Aspire, We understand that disputes may arise during the debt collection and recovery process, and We are committed to resolving them promptly and fairly. Our dispute resolution process is designed to provide Customers with a transparent and accessible

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avenue to address any concerns or disagreements they may have regarding their outstanding dues or the collection practices employed by Our company.

In case of any disputes or grievances raised by the Customer, the Collection Agent shall promptly share contact details of the relevant person for grievance redressal at Aspire, with the Customer. When a dispute is raised, Our dedicated team members will thoroughly investigate the matter, carefully reviewing all relevant information and documentation provided by the Customer. We prioritize open communication and seek to understand the root cause of the dispute to facilitate a mutually satisfactory resolution. Throughout the resolution process, We maintain clear and respectful communication with the Customer, keeping them informed of Our progress and any steps taken to address their concerns. We strive to resolve disputes in a timely manner while upholding the principles of fairness, integrity, and respect. At Aspire, We are committed to ensuring that Our dispute resolution process is transparent, impartial, and customer-centric, allowing Us to effectively address Customer concerns and maintain positive relationships built on trust and integrity.

In the event of an ongoing dispute or grievance with the Customer, all collection efforts should be temporarily paused until such dispute or grievance is resolved, unless instructions to the contrary are given by Aspire to the Collection Agent.

## 8. REPORTING

Reporting plays a vital role in our operations at Aspire, serving as a cornerstone for transparency, accountability, and informed decision-making.

Our internal reporting mechanisms enable Us to monitor key performance indicators, track progress against targets, and identify areas for improvement within Our debt collection and recovery processes. Through regular reporting, We gain valuable insights into Our operational efficiency, compliance with policies and regulations, and overall performance. Collection Agents must regularly furnish relevant reports to Aspire on the collection efforts undertaken by it, in the manner communicated by Aspire to the Collection Agents from time to time.

## 9. RECORD KEEPING

Aspire emphasizes the vital role of robust record-keeping practices in its Policy, highlighting transparency, accountability, and regulatory compliance. Thorough documentation ensures a transparent and auditable trail of debt collection activities, facilitating effective internal oversight and external scrutiny as needed. Aspire maintains comprehensive records encompassing communication logs, repayment agreements, and relevant Customer information, all securely stored for reference or audit purposes. All debt collection activities must be promptly recorded by the Collection Agent to maintain accuracy and completeness, including communication with Customers.



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## 10. REGULATORY COMPLIANCE

Aspire upholds a steadfast commitment to ethical conduct and compliance with all relevant laws and regulations governing its debt collection and recovery operations. The Policy delineates clear repercussions for instances of non-compliance, reinforcing a culture of integrity, responsibility, and accountability. Violations of the Policy, encompassing ethical practices, and legal adherence, shall lead to consequences for the Collection Agents, as deemed fit by Aspire. Disciplinary actions, ranging from verbal or written warnings to suspension or termination of service, may be implemented based on the severity and recurrence of the violation.

In cases of non-compliance, Collection Agents may undergo additional training or re-education programs to reinforce comprehension of the Policy, ethical standards, and legal obligations. Instances of non-compliance prompt thorough investigations, leading to corrective actions such as process improvements or revisions to training programs to prevent future occurrences. Senior management at Aspire maintains active oversight over consequences of non-compliance, ensuring fairness, consistency, and alignment with policy principles.

Moreover, serious instances of non-compliance with potential regulatory implications are transparently reported by Aspire to relevant regulatory authorities in accordance with legal mandates. Aspire also employs continuous monitoring mechanisms to swiftly detect and address non-compliance, fostering a proactive approach towards intervention and corrective measures. Aspire emphasizes whistleblower protections, encouraging Collection Agents to report concerns while safeguarding their confidentiality and shielding against retaliation. Through a combination of clear consequences, ongoing training, process enhancements, senior management oversight, regulatory reporting, continuous monitoring, and whistleblower protections, Aspire strives to cultivate a work environment characterized by the highest standards of ethical conduct and legal compliance in all debt collection and recovery activities.

## 11. REVIEW AND AMENDMENT

Aspire reserves the right to amend this Policy at any time without providing prior intimation to the Collection Agents. All amendments shall be notified via email to the Collection Agents on the email address provided in the service agreement executed with Aspire. The amendments shall become applicable to the Collection Agent on notification by Aspire.