

# ASPIRE FINANCE PRIVATE LIMITED

CIN: U65929KA2022PTC167759

---

## FAIR PRACTICE CODE

### ASPIRE FINANCE PRIVATE LIMITED

---

Version No	1.0
Originally Approved Date of Policy	15 May 2024
Amended/Modified Date of Policy	NA
Policy owner	Board of Directors
Approved by	Board of Directors

---

**Address:** Old No 469/389, New No. 1424, 2nd Floor, Behind Yelahanka Old Town Post Office, Nehru Nagar, Yelahanka, Bangalore- 560064 (Karnataka); **Email ID:** manoj@aspirefinance.in; **Mobile Number:** 6362 098 268

# ASPIRE FINANCE PRIVATE LIMITED

CIN: U65929KA2022PTC167759

## A. INTRODUCTION

Aspire Finance Private Limited (the “**Company**” or “**Aspire Finance**”) is a Base Layer Non-Deposit Taking Non-Banking Financial Company registered with the Reserve Bank of India and is engaged in *inter alia* providing working capital and business loans to its diverse clientele, including individuals and businesses.

Aspire Finance has framed and adopted this Fair Practice Code (“**Code**” or “**FPC**”) in compliance with the Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulations) Directions, 2023 read with relevant guidelines or circulars as may be amended or issued by RBI from time to time (“**Applicable Laws**”). This Fair Practices Code applies to all categories of products and services offered by the Company (currently or as may be introduced at a future date). The Code assures the Company’s commitment to fair dealing and transparency in its business with its borrowers.

## B. PURPOSE

- To encourage ethical conduct and fairness by establishing baseline criteria for interactions with customers;
- To enhance transparency to provide customers with clearer insights into the services they can reasonably anticipate;
- To foster a mutually respectful and equitable relationship between the customer and the Company.
- To ensure equitable treatment of all customers, irrespective of their background or circumstances, to uphold principles of fairness and equality;
- To facilitate effective communication channels to address customer concerns promptly and maintain a harmonious relationship built on trust and transparency.
- To meet the requirements and standards under Applicable Laws for the loan products offered by the Company;
- To strengthen mechanisms for redressal of customer grievances; and
- To ensure that the Company's loan products comply with all applicable Indian laws and regulations.

## C. INFORMATION

- a) The Company will provide clear information to customers in selecting products and services that align with their requirements, providing clear explanations regarding the essential features of the Company’s offerings that pique their interest.
- b) Customers will be informed about the documentary requirements necessary for verifying their identity and address, as well as other documents needed to fulfil legal and regulatory obligations such as “Know Your Customer” norms.

# ASPIRE FINANCE PRIVATE LIMITED

CIN: U65929KA2022PTC167759

- c) The Company will disseminate information regarding interest rates, standard fees, and charges through various channels:
  - i) Telephones or helplines.
  - ii) Designated staff or help desks at its premises.
  - iii) Publication on the Company's website.

## D. APPLICATIONS FOR LOANS AND THEIR PROCESSING

The Company shall source its borrowers through the Web App, or digital partners or agents or such other methods as permitted under Applicable Laws.

- i) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- ii) Loan application shall include necessary information (i.e., interest rates applicable, fees/ charges, if any, pre-payment options and other charges, if any) which affects the interest of the borrower. The loan application form may indicate the documents required to be submitted with the application form.
- iii) Upon receiving completed application forms, the Company will promptly acknowledge receipt and provide an approximate timeframe within which the customer can expect to receive communication regarding their loan application, unless the entire process is instantaneous.
- iv) All information required for processing the loan application shall be submitted to the Company at the time of application. In case the Company needs any additional information, the Company shall have the right to contact the customer.
- v) The Company shall, in the sanction letter, convey to the customer information such as the amount of loan sanctioned along with the terms and conditions including annualised rate of interest (“APR”). Additionally, the Company shall also furnish a copy of the loan agreement as understood by the customer along with a copy each of all enclosures quoted in the loan agreement to all customers at the time of sanction / disbursement of loans. Further, Aspire Finance shall keep the acceptance of these terms and conditions by the borrower on its record.
- vi) The Company will provide the customer with a Key Fact Statement (“KFS”) (*in such form as may be prescribed by RBI from time to time*) prior to them executing a loan agreement with the Company. In the KFS, the Company shall provide all necessary information about the loan including the details of the

# ASPIRE FINANCE PRIVATE LIMITED

CIN: U65929KA2022PTC167759

APR, the recovery mechanism, details of grievance redressal officer, cooling-off/look-up period, any fees or charges etc., which are applicable to the customer. Please note that the Company shall not charge any fees or charges from customers outside of what is mentioned in the KFS.

## E. LOAN APPRAISAL AND TERMS/CONDITIONS

The Company will:

- a) Provide written communication via email to the borrower, conveying the sanctioned loan amount and the crucial terms and conditions, including the annualized interest rate, overdue interest, late payment charges, and the repayment schedule (EMI schedule), in either English or a vernacular language. This communication may be in the form of a sanction letter or through other appropriate means.
- b) Furnish a copy of the loan agreement, preferably in a vernacular language or in English understood by the borrower, along with copies of all referenced enclosures, to all borrowers at the time of disbursement of the loan amount into the borrower's account with the Company.
- c) In the event of non-compliance of material terms and conditions of loan contract by the customer, the Company may charge a penal charge as may be communicated to you upfront in the KFS. The Company will not levy penal charges in the form of a penal interest and the same shall not be added to the rate of interest on the loan. The Company will also ensure that there is no capitalisation of penal charges i.e., no further interest will be computed on such penal charges. Separately, the Company shall ensure that no additional component to the rate of interest is introduced and shall ensure compliance with Applicable Law in letter and spirit. Further, the Company shall ensure that the quantum of the penal charges levied by it are reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan/product category. The Company shall, whenever it sends reminders for non-compliance of material terms to its customers, ensure that the penal charges are also conveyed.

## F. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- a) Before receiving disbursement, the borrower will be required to execute loan agreement that encompasses all standard and specific terms and conditions set forth by the Company. They will also complete and sign all necessary documents and provide collateral if applicable as outlined in the loan agreement or sanction letter.

# ASPIRE FINANCE PRIVATE LIMITED

CIN: U65929KA2022PTC167759

- b) The Company will notify the borrower, either in writing or through electronic means, in the vernacular language or a language as understood by the borrower, of any alterations to the terms and conditions, including the disbursement schedule, prepayment charges, changes to the EMI schedule, interest rates, service charges, overdue interest charges, etc.
- c) Unless permitted or mandated by Applicable Laws or statutes, the entire loan amount will be disbursed directly to the borrower's bank account without any intermediary accounts, or to a specified account if the loan proceeds are designated for a specific purpose.
- d) Any adjustments to interest rates and other charges will only be applied prospectively, with appropriate provisions included in the loan agreement.
- e) Decisions regarding the recall or acceleration of payment or performance will be in accordance with the terms outlined in the loan agreement.
- f) Upon full repayment of all dues or upon realization of the outstanding loan amount, the Company will release any held securities, if applicable, subject to any legitimate rights or liens for other claims against the borrower. In the event of exercising a right of set-off, the borrower will be notified of the remaining claims and the conditions under which the Company is entitled to retain the securities until the relevant claim is settled or paid.

## G. COLLECTION OF DUES

- a) The Company will clearly explain the repayment process to customers, including the amount, tenure, and frequency of payments outlined in the EMI Schedule. In the event of non-adherence to the repayment schedule, a legally compliant process will be followed for the recovery of dues, which may involve issuing reminders via email, calls, SMS, or personal visits, and, if necessary, repossession of any provided security.
- b) Authorized personnel representing the Company in dues collection or security repossession will properly identify themselves and display authorized documentation upon request. Customers will be provided with all necessary information regarding overdue payments, and staff will be trained to handle customer interactions appropriately. Any collected funds will be deposited directly into the Company's bank account without using intermediary accounts.
- c) During visits to customers' premises for dues collection, the following guidelines will be adhered to in addition to the guidelines set out in the Company's [Collection and Recovery Policy](#):

---

**Address:** Old No 469/389, New No. 1424, 2nd Floor, Behind Yelahanka Old Town Post Office, Nehru Nagar, Yelahanka, Bangalore- 560064 (Karnataka); **Email ID:** manoj@aspirefinance.in; **Mobile Number:** 6362 098 268

# ASPIRE FINANCE PRIVATE LIMITED

CIN: U65929KA2022PTC167759

- i) Customers will be contacted at their preferred location, typically their residence or place of business.
- ii) Proper identification and authority to represent the Company will be provided upfront.
- iii) Customer privacy will be respected at all times.
- iv) Interactions with customers will be conducted in a polite and respectful manner.
- v) Threats, abusive language, or harassment of the borrower, their family, assets, or associates will not be tolerated.
- vi) Contact with customers will generally occur between 8:00 AM and 7:00 PM, or as appropriate based on the customer's business hours.
- vii) Customers will not be misled about their debt or its consequences.
- viii) Customer's identities will not be disclosed publicly.
- ix) Details of communication, including timing and content, will be documented.
- x) Efforts will be made to resolve disputes or differences in a fair and orderly manner.
- xi) Decency and decorum will be maintained during visits for dues collection.
- xii) The Company's approved collections policy will be followed diligently throughout the collection process.

## H. GENERAL

- a) The Company will refrain from meddling in the customer's affairs except as specified in the terms and conditions of the undertaking unless new undisclosed information has emerged.
- b) Requests for transferring borrower accounts, particularly in the case of personal loans, will generally not be entertained, except under special circumstances. In any case, the objection or consent of the Company will be conveyed by the Company within 21 (twenty-one) days from the date of the receipt of such request.

# ASPIRE FINANCE PRIVATE LIMITED

CIN: U65929KA2022PTC167759

- c) In loan recovery procedures, the Company will avoid any form of undue harassment, such as incessant calls at inappropriate times or the use of force for debt collection. The Company's staff or authorised representatives will receive adequate training to ensure they handle customer interactions appropriately. Delinquent customers will typically be contacted between 8:00 AM and 7:00 PM, unless specific business-related circumstances warrant communication outside these hours.
- d) There shall be no discrimination in extending products and facilities including loan facilities to the physically/ visually challenged applicants on the grounds of disability. Such persons shall also have access to our customer grievance redressal mechanism in accordance with our [Grievance Redressal Policy](#).

## I. FURTHER ASSISTANCE

- a) The Company has established a robust grievance redressal mechanism to address disputes arising from its customers. This mechanism ensures that disputes are resolved at a higher level within the organization. Details of the grievance redressal officer and the mechanism put in place by the Company can be accessed at our Grievance Redressal Policy [here](#). All grievances of customers will be dealt with in the manner set out in the said Company's Grievance Redressal Policy.
- b) Periodic reviews will be conducted by the Board of Directors of the Company to assess compliance with the Fair Practices Code and the effectiveness of the grievance redressal mechanism across different levels of management.
- c) The Board of Directors shall ensure that it receives and maintains a consolidated report of such reviews in such manner as it deems fit.

## J. INTEREST RATE REGULATION

The Board of Directors of the Company have endorsed a model for setting interest rates on loans and advances, as well as processing and other charges. This model considers factors such as the cost of funds, margin, and risk premium. The determination of interest rates, risk gradations, and the rationale for varying rates among different borrower categories adheres to the [Interest Rate Policy](#) put in place by the Company.

The Company furnishes borrowers with annualized rates, ensuring clarity regarding the precise rates applicable to their accounts.