

BERAR FINANCE LIMITED

**CODE OF CONDUCT FOR DEPOSIT AGENTS OF THE
COMPANY**

RECORD OF REVIEW:

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1	February 14, 2022	Secretarial Department	Board of Directors

APPLICABILITY:

This Code of Conduct will apply to all the sales channels/persons, distributors, brokers, other third-party partners (hereinafter referred to as “**Deposit Agents**”) appointed by Berar Finance Limited (“**the Company**”) for marketing and/or distributing the following deposit products of the Company:

- Fixed Deposits
- Corporate Deposits

SCOPE:

The Code lays down the responsibilities, do’s and don’ts for the Deposit Agents while marketing and/or distributing the deposit products on behalf of the Company. All Deposit Agents must agree to abide by this Code prior to undertaking any activities on behalf of the Company. Failure to comply with this Code may result in termination and blacklisting of the Deposit Agent by the Company.

CODE OF CONDUCT:

This Code of Conduct sets forth principles that the Company has adopted to promote ethical conduct for marketing and/or distributing the above deposit products through its Deposit Agents. All Deposit Agents and its employees/representatives must agree to abide by this code of conduct and follow the rules and regulations

The code of conduct lays down the rules and regulations with respect to the following important aspects of the selling & distribution process:

When to contact a prospect

- a. Telephonic contact must normally be between 09:30 Hours and 19:00 Hours. However, it may be ensured that the prospect is contacted only when the call is not expected to inconvenience him/her.
- b. Calls earlier or later than the prescribed time period may be placed only when the prospect has expressly authorized the deposit agent to do so either in writing or orally.
- c. Residence/Office visit must normally be limited between 09:30 Hours and 19:00 Hours. Visit earlier or later than the prescribed time period may be made only when the prospect has expressly authorized the deposit agent to do so either in writing or orally.

Respect prospect’s privacy

Deposit Agents should respect prospect’s privacy and his/her interest may normally be discussed only with the prospect and with any other individual authorized by the prospect.

No misleading statements/misrepresentations

Deposit Agents should not:

- a. Mislead the prospect on any product/service offered by the Company;

- b. Mislead the prospect about company's business or organization's name or falsely represent themselves as company's employee;
- c. Make any false/unauthorized commitment on behalf of the Company for any facility/service.

Precautions to be taken on visits

Deposit Agents should:

- a. Respect personal space, maintain adequate distance from the prospect;
- b. Ensure that prospect is not visited frequently after expression of lack of interest for the deposit product;
- c. Not enter the prospect's residence/office against his/her wishes;
- d. Ensure that a prospect's residence/business is visited by not more than one employee/representative of Deposit Agent and one supervisor, if required;
- e. End the visit with a request for the prospect to call back, if the prospect is not present and only family members/office persons are present at the time of the visit;
- f. Provide his/her telephone number, name of the supervisor or the Company officer's contact details, if asked for by the prospect;
- g. Limit discussions only related to the products;
- h. The Deposit Agents or its employees should be formally dressed for any sales call;
- i. Visit to the prospective customer should not be in large numbers. Preferably not more than two executives should visit the customer;
- j. The Deposit Agents should educate the customer in detail about the products and services he/she is willing to buy and
- k. The customer should be provided with the Company's printed product brochure and application form.

Sales Ethics & Integrity

Deposit Agents should undertake the following:

- a. Represent the Company in a diligent and professional manner and uphold the Company's brand image with highest standard.
- b. Showcase professional conduct while interacting with prospects, Company's staff and other Deposit Agents.
- c. Should not approach any depositors within the Company's office premises for soliciting business from them.
- d. Take necessary steps to ensure that the client's interest is protected.
- e. Take sincere efforts to fully understand and be conversant with the operational & regulatory requirements of the Company's Deposit products.

- f. Client's interest and suitability to their financial needs is paramount, and that extra commission/incentive earned should never form the basis for recommending an investment product to the client.
- g. Ensure that deposit application form is complete in all respect and carry diligence to ascertain details filled in the form are pertaining to the depositors only.
- h. Deposit Agents shall not rebate commission back to Fixed Deposit investors/depositors and abstain from attracting investors /depositors through temptation of rebate/gifts etc.
- i. Any and all forms of illegal or inappropriate activity, including, but not limited to, corruption, misrepresentation, extortion, embezzlement or bribery, are strictly prohibited and may result in termination of any or all arrangements with the Company and possible legal action.

Deposit Agents should uphold highest levels of marketing/sales ethics and should not:

- a. Compete with other agents in an unhealthy/unethical manner.
- b. Reach out to our existing clients already introduced by other agents unless the customer has assented to receive services from new agent.
- c. Deny the client any information regarding office telephone numbers or email address of any concerned employee of the Company.

Advertising and Marketing

If Deposit Agent is, with the Company's prior written approval, engaged in any advertising, marketing or promotional activities that reference or implicate the Company, its name, logo or services in any manner, such materials must comply with all laws, rules and regulations, and must be truthful and accurate and must disclose and mention that he is acting as Agent of the Company.

General

- a. Deposit Agents shall maintain necessary infrastructure to support the Company in maintaining high service standards to clients and ensure that critical operations related to deposits are done within the time frame prescribed under RBI Directions.
- b. Deposit Agents shall train their staff if any to handle their responsibility with care and sensitivity.
- c. Deposit Agents shall not accept cash towards placement of deposits or issue Receipt on behalf of the Company for Deposits. Deposit placement should happen only through account payee cheque favouring Berar Finance Limited or through direct remittance to the designated bank account of the Company.
- d. Deposit Agents shall avoid colluding with clients in faulty business practices such as bouncing cheque, etc.
- e. Deposit Agents shall refrain from making negative statements about the Company or its products and ensure that comparisons if any, are made with similar and comparable products.
- f. Deposit Agents will also be subject to the Anti – Bribery/Anti – Corruption Policy and Vigil

Mechanism and Whistleblower Policy of the Company.

- g. The Deposit Agents shall sufficiently protect and keep harmless and indemnify the Company against all manners of embezzlement, misappropriation or misapplication of moneys committed by him/her regarding “Fixed Deposit and Corporate Deposits.

Events of Violation of Code of Conduct

The following will construe as event(s) of violation of Company’s Code of Conduct for its Deposit Agent, if within 30 calendar days of the violation:

- a. The Company receives a written complaint from an aggrieved person with or without sufficient proof of violation of the code of conduct;
- b. Reporting of violation of code of conduct during any internal or regulatory audit of the Company’s marketing and sales process.

Punitive Action on violation of the code of conduct

In the event of violation of the Company’s code of conduct for Deposit Agents, the Company will seek written explanation from the concerned Deposit Agent and may on its sole assessment based on the seriousness and the extent of violation, take any of the following action:

- a. Seek detailed explanation on the customer complaint; and/or
- b. Issue written warning against allowing violation of code of conduct and seek details of control process to be adopted by the Deposit Agent to avoid re-occurrence of act of violation; and/or
- c. Blacklist or seek blacklisting of erring employees of the concerned Deposit Agent; and/or
- d. Permanent termination of the agency with an advertisement in the paper informing public that the said Deposit Agent has ceased to be a representative of the Company; and/or
- e. Seek from the violating Deposit Agent, reimbursement of any expenses incurred by the Company and / or payment of penalties levied by any competent authority on the Company due to violation of code of conduct for Deposit Agent.

Review and Amendment:

This Code of Conduct was reviewed and approved by the Board of Directors of the Company as on February 14, 2022. The Board shall further review and amend the code as and when necessary.
