



SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

**MODEL CODE OF CONDUCT FOR DIRECT SELLING AGENTS (DSAs) /
DIRECT MARKETING AGENTS (DMAs)**

The above Code has been adopted by the Company as a Policy in accordance with the regulations/directions issued in public interest by the Reserve Bank of India and aptly covered in “**Annex – X (Model Code of Conduct for Direct Selling Agents (DSAs) / Direct Marketing Agents (DMAs) forming part of Clause 82.7 (Advertising, Marketing and Sales) of Chapter XIII: Fair Practice Code of the Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021** notified vide RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/ 2020-21 dated 17/02/2021” (*hereinafter referred to as “RBI-HFC Directions, 2021.”*)

1. PREAMBLE / INTRODUCTION:

This “**Model Code of Conduct for Direct Selling Agents (DSAs) / Direct Marketing Agents (DMAs)**” is a set of guidelines designed and framed to ensure that DSA/DMAs engaged by the Company for selling and marketing their products/schemes etc., act and conduct in strict conformity to the laid down policies and procedures as set in this Code.

Until now, **SAHARA HOUSINGFINA CORPORATION LIMITED (SHCL)** had in place a “Model Code of Conduct for Direct Selling Agents (DSAs) / Direct Marketing Agents (DMAs)” that was prepared, adopted and implemented in accordance with the erstwhile regulatory guidelines of National Housing Bank (NHB) set in its Master Circular – The Housing Finance Companies (NHB) Directions, 2010.

With the supersession of the Master Circular – The Housing Finance Companies (NHB) Directions, 2010 with *RBI-HFC Directions, 2021*, the above Code (amongst others) have to be reviewed (so as to comply with the current regulatory guidelines), and approved (by its Board of Directors) and implemented afresh.

The essence behind this Code has been developed to:

- a) Promote good and fair practices by setting minimum standards in dealing with prospect/customer;
- b) Increase transparency so that you can have a better understanding of what you can reasonably expect of the services;
- c) Encourage market forces, through healthy competition, to achieve higher operating standards;
- d) Promote a fair and cordial relationship between the prospect/customer and the Company;
- e) Foster confidence in the banking & financial system.

2. APPLICABILITY:

Upon adoption and inclusion as part of agreement between the company and the DSA/DMA, this Code will apply to a person/legal entity involved in marketing and distribution of any loan or other financial products or services by the Company. The DSA/DMA or/ and its employees/representatives must agree to abide by this Code prior to undertaking any direct marketing operation and distribution on behalf of the Company. Any employee /representative of DSA/DMA found to be violating this Code may be blacklisted and such action taken are reported to the Company from time to time by the DSA/DMA. Failure to comply with this requirement may result in permanent termination of business of DSA/DMA with the Company and may even lead to permanent blacklisting. A declaration-

Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021

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cum-undertaking is to be given by DSA/DMA to the Company and to be obtained from its employees/representatives by the DSAs/DMAs before assigning them duties as per format annexed to this Code by **RBI-HFC Directions, 2021 – “Appendix X (a)”** forming part of Annex – X.

3. TELE-CALLING A PROSPECT (A PROSPECTIVE CUSTOMER)

3.1 Unsolicited Commercial Communications - National Do Not Call Registry (NCND)

The Company currently does not engage and/or appoints Telemarketers (DSAs/DMAs) for business promotion, sales and marketing of its products/schemes/services. Nonetheless, as and when it decides to do so, the Company shall:

- 3.1.1** not engage Telemarketers (DSAs/DMAs) who do not have any valid registration certificate from Department of Telecommunication (DoT), Government of India, as telemarketers. The Company shall engage only those telemarketers who are registered in terms of the guidelines issued by TRAI, from time to time, for any kind of engagement with customers;
- 3.1.2** furnish the list of Telemarketers (DSAs / DMAs) engaged by them along with the registered telephone numbers being used by them for making telemarketing calls to TRAI;
- 3.1.3** ensure that all agents presently engaged by them register themselves with DoT as telemarketers.

3.2 A prospective customer shall be contacted by the Company or its engaged agencies for sourcing the Company’s product/service or the Company’s related products/services only under the following circumstances:

- a. When a prospect has expressed desire to acquire any loan or other financial products or services through the Company’s internet site / digital platforms including mobile applications/call centre/branch or through the Relationship Manager at the Company or has been referred to by another prospect/customer or is an existing customer of the Company who has given explicit consent in writing/digitally for accepting calls on other products/services of the Company.
- b. When the prospect’s name/telephone number/address is available and obtained after taking his/her explicit consent in writing/digitally on a separate document.

3.3 DSA/DMA (engaged by the Company) or/and its employees/representatives should not call a person whose name/number is flagged in any “Do Not Disturb” list.

4. WHEN YOU MAY CONTACT A PROSPECT ON TELEPHONE:

- 4.1** DSA/DMAs (engaged by the Company) must introduce themselves and before calling must share their contact details through message or any other written mode including his/her name, contact number, DMA/DSA they are employed with and the Company they are representing.



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- 4.2** Telephonic contact must normally be between 09:30 hours and 19:00 hours. However, it may be ensured that a prospect is contacted only when the call is not expected to inconvenience him/her;
- 4.3** Calls earlier or later than the prescribed time period may be placed only when the prospect has expressly authorized the DSA/DMA or/and its employees/representatives to do so either in writing or orally;
- 4.4** Residence/Business/Office address 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 prospect has expressly authorized DSA or/and its employees/representatives to do so either in writing or orally.

5. RESPECT PROSPECT'S PRIVACY:

DSA/DMA (engaged by the Company) or/and its employees/representatives should respect a prospect's privacy and his/her interest may normally be discussed only with the prospect and with any other individual/family member such as prospect's accountant/secretary/spouse only when authorized to do so by the prospect.

6. LEAVING MESSAGES AND CONTACTING PERSONS OTHER THAN THE PROSPECT:

Calls must first be placed to the prospect. If the prospect is not available, a message may be left for him/her. The aim of the message should be to get the prospect to return the call or to check for a convenient time to call again. Ordinarily, such messages may be restricted to:

"Please leave a message that XXXXXX (name of officer) representing YYYYYY (name of the company) called and requested to call back at ZZZZZZ (phone number)".

As a general rule, the message must indicate that the purpose of the call is regarding selling or distributing a product of the company.

7. NO MISLEADING STATEMENTS/MISREPRESENTATIONS PERMITTED:

DSA/ DMA (engaged by the Company) or/and its employees/representatives shall not:

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

8. TELEMARKETING ETIQUETTES:

The telemarketing etiquettes that shall be abided by the DSAs/DMA (engaged by the Company) or and its employees/representatives are briefly stated eblow:



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8.1 Pre Call

- a. No calls prior to 09:30 hours or post 19:00 hours unless specifically requested by the prospect;
- b. No serial calling;
- c. No calling on lists unless list is cleared by the DSA/DMA leader.

8.2 During Call

- a. Identify yourself, your Company and your Principal;
- b. Request permission to proceed;
- c. If denied permission, apologize and politely disconnect;
- d. State reason for your call;
- e. Always offer to call back on landline, if call is made to a cell number;
- f. Never interrupt or argue;
- g. To the extent possible, talk in the language which is most comfortable to the prospect/customer;
- h. Keep the conversation limited to business matters;
- i. Check for understanding of “Most Important Terms and Conditions” by the prospect/ customer if he plans to buy the product;
- j. Reconfirm next call or next visit details;
- k. Provide your telephone no, your supervisor’s name or the Company authorized officer’s contact details if asked for by the prospect/customer;
- l. Thank the prospect/customer for his/her time.

8.3 Post Call

- a. Prospects/Customers who have expressed their lack of interest for the offering should not be called for the next 3 months with the same offer;
- b. DSAs/DMA’s (engaged by the Company) shall provide feedback to the Company on prospects/ customers who have expressed their desire to be flagged “Do Not Disturb”. The Company to note so and ensure that the person is not disturbed thereafter until and unless he/she reverts for any products/services;
- c. Never call or entertain calls from customers regarding products already sold;
- d. Advise them to contact the Customer Service Staff of the Company.

9. GIFTS OR BRIBES:

DSA/DMA (engaged by the Company) or/and its employees/representatives shall:

- a. not accept gifts or bribes of any kind from prospects/customers. Further, if he/she is offered a bribe or payment of any kind by the prospect/customer, it must be reported to his/her management, who must report it to be Company.
- b. not offer any gifts/gratitude in cash or in kind to the prospect/customer to solicit business.



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10. PRECAUTIONS TO BE TAKEN ON VISITS/CONTACTS:

DSA/DMA (engaged by the Company) or/and its employees/representatives shall:

- a. respect personal space, maintain adequate distance from the prospect/customer;
- b. ensure that prospect/customer is not visited within a period of 3 (three) months of expression of lack of interest for the offering by him/her.
- c. not enter the prospect's/customer's residence/office against his/her wishes;
- d. prospect's/customer's residence/business is visited by not more than one employee/representative of DSA/DMA and one supervisor, if required;
- e. respect the prospect's privacy;
- f. end the visit with a request for the prospect to call back, if the prospect/customer is not present and only family members/office persons are present at the time of the visit;
- g. provide his/her telephone number, name of the supervisor or the contact details of the Company's authorized officer, if asked for, by the prospect/customer; and
- h. limit discussions with the prospects to the business and maintain a professional distance.

11. APPEARANCE AND DRESS CODE:

DSA/DMA (engaged by the Company) or/and its employees/representatives must be in proper formal attire while meeting up with prospect/customer.

12. HANDLING OF LETTERS AND OTHER COMMUNICATION:

Any communication sent to the prospect shall only be in the mode and format approved by the Company (in writing).

13. QUALIFICATIONS FOR DSAa/DMA:

While there is no specific qualification requirement for individuals, corporate entities depending upon the nature of the entity, shall ensure that the Partnership Deed, Memorandum of Association or any other document evidencing the constitution of the entity shall contain as one of its main objects soliciting or procuring DSA business.

14. EMPANELMENT OF DSA/DMA:

DSA/DMA seeking of engagement/empanelment with the Company shall submit the application for empanelment in the duties as per format annexed to this Code by **RBI-HFC Directions, 2021 - "Appendix X (b)"** forming part of Annex - X. Further, the Company is free can seek further information/documents to its satisfaction from the DSA/DMA who seek engagement/empanelment with the Company for the said purpose.

15. OUTSOURCING AGREEMENT:

The terms and conditions governing the contract between the Company and the Service Provider should be carefully defined in written Agreements and vetted by the Company's

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legal counsel on their legal effect and enforceability. Every such agreement shall address the risks and risk mitigation strategies. The Agreement must be sufficiently flexible to allow the Company to retain an appropriate level of control over the outsourcing and the right to intervene with appropriate measures to meet legal and regulatory obligations. The Agreement should also bring out the nature of legal relationship between the parties – i.e. whether the agent, principal or otherwise. Some of the key provisions of the contract should be the following;

- 15.1** The contract shall clearly define what activities are going to be outsourced including appropriate service and performance standards;
- 15.2** The Company shall ensure it has the ability to access all books, records and information relevant to the outsourced activity available with the service provider;
- 15.3** The contract should provide for continuous monitoring and assessment by the Company of the service provider so that any necessary corrective measure can be taken immediately;
- 15.4** A termination clause and minimum period to execute a termination provision, if deemed necessary, should be included;
- 15.5** Controls to ensure customer data confidentiality and service providers' liability in case of breach of security and leakage of confidential customer related information should be incorporated;
- 15.6** There must be contingency plans to ensure business continuity;
- 15.7** The contract shall provide for the prohibition of further outsourcing by the service provider for all or part of an outsourced activity;
- 15.8** It shall provide the Company with the right to conduct audits on the service provider whether by its internal or external auditors, or by agents appointed to act on its behalf and to obtain copies of any audit or review reports and findings made on the service provider in conjunction with the services performed for the company;
- 15.9** Outsourcing Agreements shall include clauses to allow the National Housing Bank (NHB) or persons authorised by it, to access the Company's documents, records of transactions, and other necessary information given to, stored or processed by the service provider, within a reasonable time.
- 15.10** Outsourcing Agreement shall also include a clause to recognize the right of NHB, to cause an inspection to be made of a service provider of the Company and its books and account by one or more of its officers or employees or other persons.
- 15.11** The Outsourcing Agreement shall also provide that confidentiality of customer's information should be maintained even after the contract expires or gets terminated.



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15.12 The Outsourcing Agreement should provide for the preservation of documents and data by the service provider in accordance with the legal/regulatory obligation of the Company in this regard.

16. TERMINATION OF AGREEMENT:

A termination clause and minimum period to execute a termination provisions, shall be included. The Agreement shall automatically be terminated unless renewed by a fresh contract by the Company immediately after the expiry of the period of the Agreement. No DSA/DMA shall be allowed to do any fresh business on behalf of the Company after termination of Agreement until and unless renewed by a fresh agreement.

17. TRAINING TO DSA/DMA OR/AND ITS EMPLOYEES/REPRESENTATIVES:

DSA/DMA or/and its employees/representatives seeking engagement/empanelment with the Company, will have to go through two-day preliminary training and a day training every year which shall be organized by the Company. The Company shall also maintain record of training provided by them

18. MAINTENANCE OF DATABASE OF DSAs/DMA's:

The Company shall maintain an up-to-date database of DSAs/DMA's engaged/empanelled by it. The Company shall keep the inspection report of the inspection conducted in terms of the provisions of the Agreement entered into with the DSA/DMA, and action taken report (ATR) thereon.

19. GENERAL:

19.1 The Company shall, at least on an annual basis review the financial and operational conditions of the service provider to assess their ability to continue to meet their outsourcing obligations. Such due diligence reviews, which can be based on all available information about service provider, should highlight any deterioration or breach in performance standard confidentially and security, and in business continuity preparedness.

19.2 The Company shall have in place a management structure to monitor and control the outsourcing activities. It should ensure that outsourcing agreements with the service providers contain provisions to address their monitoring and control of outsource activities.

19.3 Regular audits by either the internal auditors or external auditors of the Company should assess the adequacy of the risk management practices adopted in overseeing and managing the outsourcing arrangement. The Company's compliance with its risk management framework and the requirements of these guidelines.

19.4 In the event of termination of the Agreement for any reason, this should be publicized so as to ensure that the customers do not continue to deal with that service provider.

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- 19.5** The company shall constitute a Grievance Redressal Mechanism within the Company and give wide publicity about it through electronic and print media. The name and contact number of the designated Grievance Redressal Officer of the Company shall be made known and widely publicized. The designated officer should ensure that genuine grievances of customers are redressed promptly without involving delay. It should be clearly indicated that Company's Grievance Redressal Mechanism will also deal with the issue relating to services provided by the outsourced agency.
- 19.6** Generally, a time limit of one month may be given to the customers for preferring the complaints/grievances. The grievance redressal procedure of the Company and the time frame fixed for responding to the complaints should be placed on the Company's website.
- 19.7** No payment to DSAs/DMA's shall be made in cash. The fee, incentive etc. shall be made only by way of direct credit to their bank account.
- 19.8** The Company shall prescribe the operational area for DSA/DMA within which they can work.
- 19.9** The lead shall be shared by the DSA/DMA per format annexed to this Code by **RBI-HFC Directions, 2021 – "Appendix X (c)"** forming part of Annex – X.
- 19.10** By virtue of contract/agreement, the DSA/DMA (engaged by the Company) or/ and its employees/representatives may have access to personal and business information of Company and/or Company's customer. DSA/DMA shall ensure the preservation and protection of the security and confidentiality of the customer information or data which are in the custody or possession.
- 19.11** DSA/DMA shall acknowledge that he/she/it has read the said Model Code of Conduct and has fully understood all the terms and conditions mentioned there in and declare that the DSA/DMA shall agree to abide by the said Code of conduct in letter and spirit.
- 19.12** The DSA/DMA shall report the fraud committed by erring employees/representatives periodically to the Company and consolidated data/information on the same shall be submitted by the Company to NHB. The information shall include name of the person, address, name of the DSA associated with and nature of fraud. Such employees/representatives shall be barred permanently for doing the business of DSA/DMA in future with the Company.

(Note: Commensurate to its existing business activities/dynamics, volume and practice, SHCL presently does not engage Corporate Entities for the purpose of empanelment as DSA/DMA. It only very selectively (upon satisfactory completion of the internal and regulatory processes) engages experienced "individuals" as "Channel Partners" who are responsible to share/pass information about any lead in respect of "prospect", desirous of loan. Once the lead is registered, the "on-roll company employed official" takes control of the matter and thereafter is/are responsible to take the issue forward to its logical conclusion. In light of the above, the role of DSA/DMA (in our case of Channel Partner) is highly restrictive / limited in nature, role and character. Notwithstanding the above, the Model Code of Conduct for Direct Selling Agents (DSAs)/Direct Marketing Agents (DMAs)



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has been framed/ designed to fully conform with the directives encompassed in RBI-HFC Directions, 2021, so that, as and when the Company decides to engage Corporate Entities as DSA/DMA or even widen the role of Channel Partners, it can do so without the need to change the subsisting Code)

This Code comes into immediate effect and shall supersede the previous “Model Code of Conduct for Direct Selling Agents (DSAs)/Direct Marketing Agents (DMAs) that was earlier approved by the Board of Directors of the Company in their meeting held on February 13, 2020.

Sd/-
(D J Bagchi)
CEO

Place : Kolkata
Date : August 16, 2021

Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021



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Appendix - X (a)

Declaration-Cum-Undertaking
(As per *RBI-HFC Directions, 2021*)

Re: Code of Conduct

Dear Sir,

I am working in your Company as a _____. My job profile, inter-alia, includes offering, explaining, sourcing, and assisting documentation of products and linked services to prospects of Sahara Housingfina Corporation Limited.

In the discharge of my duties, I am obligated to follow the Code of Conduct attached to this document.

I confirm that I have read and understood and agree to abide by the Code of Conduct. I further confirm that the trainer mentioned below has explained the contents of the Code of Conduct in full to me.

In case of any violation, non-adherence to the said Code, you shall be entitled to take such action against me as you may deem appropriate.

Signed on this _____ day of __ (Month) __ 20____

Signature _____ Name _____ Agency _____

Signature of Trainer _____ Name _____ (Sahara Housingfina Corporation Limited)

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Appendix - X (b)

Application Form for Empanelment of DSA / DMA
(As per RBI-HFC Directions, 2021)

To,
The Manager
Sahara Housingfina Corporation Limited,

_____,

Sir/Madam,

Sub: APPLICATION FOR EMPANELEMENT AS DIRECT SELLING AGENT (DSA)/DIRECT MARKETING AGENT (DMA) WITH SAHARA HOUSINGFINA CORPORATION LIMITED.

I submit herewith my application for the empanelment as Direct Selling Agent (DSA)/ Direct Marketing Agent (DMA) for Sahara Housingfina Corporation Limited. I have read the terms and conditions relating to the service and I undertake that those are acceptable to me.

1.	Full name (in block letters)				
2.	Father's/Husband's name				
3.	Constitution (tick appropriate option)	Individual	Proprietorship	Partnership	Company
4.	Date of birth/ incorporation (DD/MM/YYYY)		Years		Months
5.	Age				
6.	Address				
7.	Mobile number				
8.	Alternate contact number				
9.	PAN card no				
10.	Present occupation				
11.	No. of years in employment				
12.	Qualification				
13.	Languages known				
14.	Reference (name and contact number)	01.			
		02.			

I declare that the statements in this application and the documents submitted (as per list given below) are true, complete and correct to the best of my knowledge and belief.

I declare, that no criminal proceedings are pending against me. I further declare that I am not related to any existing employee of Sahara Housingfina Corporation Limited. I understand that

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in the event of any information/document being found untrue/incorrect at any stage, my application is liable to be rejected and if already empanelled, the empanelment is liable to be terminated.

(Signature)
(Full Name of the DSA/DMA)

Place:
Date:

Documents to be submitted along with application:

1. Copy of PAN card;
2. Address proof (latest telephone/ mobile bill, electricity bill, gas bill, passport or ration card);
3. Two recent passport size photographs (in addition to one affixed on application form);
4. Latest Income Tax Return (ITR)/ Form 16;
5. Bank statement for last 6 months;
6. Enrolment letter, if enrolled with other bank/FI for similar services;
7. In case of firm/ company: Registration certificate of firm & Partnership deed/ Articles of Association of the company and incorporation certificate.

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Appendix - X (c)
(As per RBI-HFC Directions, 2021)

(Name of Loan Product) – Customer Information

Name of the Applicant/s	
Mobile Number	
Email ID:	
Address	
Select which is applicable	Looking for property
	Property identified
Details of property, if identified	
Loan Amount	
Income Bracket (per annum):	
Up to ₹5 lakh	
Above ₹5 lakh to ₹10 lakh	
Above ₹10 lakh	
Income Based on: Income Tax Return	
Other (specify the same)	

DSA Code

Signature of DSA
Full Name of DSA

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