



BERAR FINANCE LIMITED

FIXED DEPOSIT POLICY

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I. Background

Berar Finance Limited (“BFL” or “Company”) is a public limited company incorporated under the Companies Act, 1956 and registered with the Reserve Bank of India (“RBI”) as a deposit taking non-banking finance company (“NBFC”). It falls under the Middle Layer as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

II. Objectives of the Policy

This policy document on deposits outlines the guiding principles in respect of formulation of various fixed deposit products offered by the Company and terms and conditions governing the conduct of the said deposits. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights.

III. Deposit Schemes offered by the Company

The Company accepts deposits under two schemes:

- a) **Dhan Varsha Yojna (Non- Cumulative)**
- b) **Dhan Wardhi Yojna (Cumulative).**

Detailed operational instructions on various deposit schemes and related services are issued from time to time.

IV. Acceptance of Deposits

- a) Deposits will be accepted from Resident Individuals (either in single name or joint names not exceeding three in number), Domestic Companies, Hindu Undivided Families, Minors (through Guardians), Association of Persons, Trusts and Firms, incorporated/ registered/ constituted and carrying businesses in India.

No deposit will be accepted from Non-Resident Indians except debit to NRO A/c (provided it does not represent inward remittance).

- b) On satisfying itself of KYC requirements, the Company may accept deposits of illiterate/blind person. The deposit of such person may be accepted provided he/she calls on the Company personally along with a witness who is known to both the depositor and the Company. At the time of repayment/renewal of deposit amount, the deposit holder should affix his/her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. The Company will explain the need for proper care and safe keeping of the Deposit receipts etc. given to the deposit holder. The Company official shall explain the terms and conditions governing the deposit to the illiterate/ blind person.
- c) Deposits can also be accepted in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the Local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999. Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate.
- d) Deposits shall not be accepted in cash.
- e) The Company reserves the right to accept or reject any application received for opening or placing the Deposit without assigning any reason whatsoever. The amount in relation to such rejected Application will not earn any interest and the Company will endeavor to refund the said amount within 10 (ten) business days.
- f) If Deposit is opened by Power of Attorney ('POA') holder on the basis of valid and subsisting POA, it shall be the sole responsibility of the Applicant to immediately inform BFL about any deviation/modification/changes in the POA and shall indemnify BFL if any action is taken against

BFL in relation thereto.

V. Application

Application for Deposits must be made in the prescribed Form and accompanied by cheques/Bank drafts drawn in favour of **BERAR FINANCE LIMITED** and crossed “Account Payee only”, NEFT/RTGS.

Deposits once accepted under a particular scheme cannot be inter- changed with another scheme before the maturity date of the relevant deposit.

Copy of duly self- attested PAN and KYC proof of all Depositors are required for fresh Deposits and at the time of renewal as per the requirement of the Company and KYC Policy of the Company.

The applicant can introduce himself/herself by producing original of any one of the documents (which contains the photograph of the applicant) mentioned in the list of Mandatory and Officially Valid Documents provided in the Application and a recent coloured photograph to BFL for verification. The aforesaid coloured photograph and a copy of such document produced is required to be attached with the Application.

VI. Repayment of Deposits

Fixed Deposits will be repaid by NEFT/RTGS in the name of first depositor.

Fixed Deposits will be repaid only on maturity and not on demand or notice. The deposit receipt duly discharged should be sent to the office of the Company before the date of maturity to enable the Company to repay the deposit. Where due date of payment falls on Sunday, Bank Holiday or any other day on which the Company’s office remains closed, payment will be made on the next working day.

In case of any rejection of such instruction for NEFT / RTGS due to any reason, the Company will dispatch the cheque of such payment in favour of the Depositor in case of single Depositor or in favor of the first Depositor in case of joint deposit, within 10 (ten) days of the receipt of intimation by the Company from its bank about such rejection.

VII. Renewal of Deposits

Fixed Deposits will be renewed only on maturity and not on demand or notice. The deposit receipt duly discharged should be sent to the office of the Company to enable the Company to renew the deposit. In case of renewal, a fresh application form should accompany the discharged receipt.

A deposit can be renewed for lower value than maturity value by giving suitable instructions for repayment of balance amount. A deposit can be renewed for a higher value than the maturity value by remitting the differential amount. Such consideration can be done only on the date of maturity and thereafter, the necessary remittance should reach the Company at least one day before the date of maturity.

The renewal of deposit will be subject to the rate of interest and other terms and conditions prevailing on the date of the said maturity date.

Deposit can be renewed from the next day of the date of maturity only if renewal instructions along with the Deposit Receipt are received within 2 months from the date of maturity. Otherwise the same will be renewed prospectively. Interest on matured deposit ceases on its maturity.

Interest on deposit shall cease to accrue from the date of maturity unless deposit is renewed for further period.

VIII. Intimation before maturity date

The Company shall intimate the details of maturity of the deposit to the depositor at least 14 days before the date of maturity of the deposit.

IX. Tax Deducted at Source

No income tax will be deducted at source where interest payable to an individual during the financial year does not exceed Rs. 5,000 or the depositor furnishes declaration in Form 15 G/15 H or certificate

from Income Tax Officer along with application form and thereafter at the start of every financial year. These rules are subject to change from time to time. PAN of the depositor is a must along with Form 15 G / H. In respect of TDS on interest on Fixed Deposits, the extant guidelines of Income Tax Department as amended from time to time will be applicable. Form 15G/H submitted vide this application will be applicable for all the deposits made under this plan during the financial year. For each financial year, Applicant will have to submit separate Form 15G/H.

TDS is applied on aggregate interest income earned by the customer and can be adjusted against interest income of any fixed deposits, which may not be proportionate to interest income on specific fixed deposit. Wherever such adjustment is carried out against cumulative fixed deposit, the interest reinvested is post TDS recovery. Therefore, the maturity amount for re-investment deposits varies to the extent of tax and compounding effect on tax for the period subsequent of deduction till maturity. BFL will not be liable to pay interest on the TDS which is deposited with IT department on quarterly basis.

TDS is also deducted on unpaid interest accrued at the end of financial year viz. 31st March.

When interest amount is insufficient to recover TDS, the same will be recovered from the principal of the deposit.

X. Premature withdrawal of Deposits

Premature withdrawal of deposits is permitted by the deposit holders before the date of the deposit/ renewal subject to receipt of advance notice by the Company and at the following rate of terms and conditions:

Up to 3 months from the date of Deposit	Withdrawal of the Deposit is not permitted. However: i. In the event of death of a depositor, the Company may repay the Deposit prematurely (irrespective of the lock in period) to the surviving depositor (which in the case of joint holders will be the first in the sequence of applicants in the Application) or to the nominee/ legal heir(s) of the deceased depositor, upon the request of surviving depositor/s/nominee/legal heir, as the case may be, and subject to submission of proof of death and other requisite documents to the satisfaction of the Company. ii. In case depositor wants premature withdrawal of his Deposit for expenses of emergent nature including on account of facing any medical emergency or expenses due to natural calamities or disaster, partial prematurity of the deposits is allowed upto lower of 50% of principal or Rs.5 lacs. Expenses of emergent nature are subject to verification/evaluation. iii. Premature withdrawal of Deposit Amount on account of suffering on account of Critical illness, 100% of principal amount of Deposit shall be paid to the depositor, without interest. For the purposes of this clause definition of ‘Critical illness’, shall be as per IRDAI (Health Insurance) Regulations, 2016 and the guidelines issued thereunder, as amended from time to time. iv. Deposits aggregating not exceeding an amount of Rs.10,000/- of principal amount (“Tiny Deposit”) will be prematurely paid to individual depositor or first named Depositor holding the Deposit in the same capacity in all the Deposits, at the request of the depositor, without interest.
After 3 months but before 6 months from the date of Deposit /Renewal	Withdrawal of the Deposit will be permitted; however, interest shall not be payable.

After 6 months from the date of Deposit /Renewal but before the date of maturity	Withdrawal of the Deposit will be permitted. Interest shall be payable at a rate which is 2% lower than the rate applicable to a deposit for the period for which the deposit has run or in case no rate is specified for the Deposit period, then 3% lower than the minimum rate at which deposits are accepted by the Company.
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Income tax wherever applicable and deducted at source and remitted to the applicable tax authority by the Company on behalf of the depositor, before premature withdrawal of Deposit(s), shall not be refunded in any circumstance whatsoever.

The prematurity proceeds will be credited in the same bank account as mentioned in the FD application form or such other bank account intimated by the deposit holder in writing to BFL subsequently.

XI. Joint Deposits

Application may be made in joint names subject to a maximum of three applicants. The Deposit will be opened in joint names subject to the condition that all the applicants (a) sign the Application in their individual capacities (b) submit KYC and other documents as specified by the Company and (c) meet the eligibility criteria specified by the Company.

No addition or deletion of joint holders can be done in the existing Deposit placed with the Company. All the payments in relation to the Deposit placed in joint names including interest and maturity proceeds, will be made in the name of the first applicant in the Application including for the purpose of deduction of tax at source and any discharge given by such first applicant in respect to any payments made by the Company will be binding on the other joint applicant(s).

In the event of death of the first joint holder, the repayment of the deposit and payment of interest shall be made to the person first in the order of survivors on production of death certificate without reference to the heirs and/or legal representatives of the deceased. In the event of death of the sole depositor and/or all the joint depositors, all payment(s) in relation to the Deposit including interest thereon will be made to the nominee appointed by the depositor(s) on production of proof of identity and on execution of such other documents as may be required by the Company in this regard. In the event there is no nomination by the sole depositor, the Deposit amount including interest thereon will be transferred to the legal heirs or legal representatives of the deceased depositor(s), as the case may be, upon submission of Succession Certificate/Letter of Administration/Probate of the Will to the satisfaction of the Company. In the case of joint depositors, the nominee's right to receive the amount of Deposit including interest shall arise only after the death of all the depositors. The nominee, in the event of death of the depositor(s) would receive such amounts in trust for the legal heirs.

XII. Fixed Deposit Receipts

Deposit Receipts will be dispatched to the depositors within 2 weeks from the date of the receipt of application form by the Company. Complaint for non- receipt of Deposit Receipt should be lodged only after 2 weeks.

Deposit Receipts will be sent by Courier/Post at the address given in the application form. The Company will not be responsible for any loss or delay in transit due to postal/courier services or any circumstances beyond its control.

In case of change in KYC documents/status of any of the Applicant, the Applicant shall immediately inform BFL regarding the said change and submit the revised KYC documents/ updated status to BFL within 30 days of such change, failing which BFL shall not be held responsible for any consequences, actions, claims, loss due to the said change in KYC. Any oral communication are not to be relied upon unless the same is captured in the documents in writing.

In the event of loss or destruction or mutilation of an FDR (for any reason) and upon request received by BFL, FDR will be re-issued by BFL in lieu of such FDR. Notwithstanding the re-issuance of FDR(s), the obligation of BFL is limited to the single FDR only, against which the money has been received by BFL. Under all circumstances, mere re-issuance of FDR(s) by BFL against single deposit of money will not result in duplication of payment or higher liability on the part of BFL. All expenses, if any, incurred in this connection will be borne by the depositor(s).

Deposit receipt will not be transferable. The Company will not recognise any lien or assignment of the deposit and/or interest thereon, except that of the Company.

XIII. Interest on Deposits

The Board of Directors of the Company shall review and approve the rates of interest and other allied matters from time to time.

The Method for calculation of Interest on FD is as follows:

For Non-Cumulative Deposits: The dates for interest payments are as follows-

1. Monthly interest payments: Last date of month
2. Quarterly interest payments: 31st March, 30th June, 30th September and 31st December

For Cumulative Deposits: Interest Payout is calculated based on Annual rates as per the scheme selected. Compounding of earned interest will be done on each quarter end as per the financial year. In case where the fixed deposit is placed during the month, the interest payout for the first quarter will be calculated on the actual number of days from the date of fixed deposit till the end of first relevant quarter.

Additional interest of 0.25% will be paid to senior citizens, (i.e. aged 60 years and above) and widows. Exempted Deposits such as deposits from Directors and their relatives, limited companies, cooperative societies etc. will also be paid additional interest of 0.25% over and above the rate of interest or such other rate as may be decided by the Board of Directors of the Company from time to time.

Interest will be calculated on the basis of 365 days in a year and shall start from the date of realisation of cheque or actual receipt of money if payment made by other banking channels like, NEFT/RTGS or other online mode of transfer.

Interest on deposit shall cease to accrue from the date of maturity, unless deposit is renewed for further period.

Interest will be payable at the contracted rates and any change in the interest rates will be applicable to fresh deposits/renewals only after that date.

The interest will be paid through National Electronic Funds Transfer (NEFT)/ Real Time Gross Settlement (RTGS) only. In case of any rejection of such instruction for NEFT / RTGS due to any reason, the Company will dispatch interest cheque, in favour of the first applicant in the Application, within 10 (ten) days of the receipt of intimation by the Company from its bank about such rejection.

XIV. Loan against Deposits

The Company may grant, at its sole discretion, Loan against Deposit up to 75% of the deposit amount. The loan amount shall carry interest @2% above the contracted rates. The Company shall keep the Deposit receipt of the depositor as collateral against the loan against deposits. All depositors must discharge the deposit receipt.

Loans shall be granted only after the expiry of a period of 3 months from the date of such deposits. This will require a 15 days advance notice.

XV. Turnaround Time

The turnaround time for various processes involved in acceptance of public deposits are as follows:

- a) **Processing of deposits and Printing of Fixed Deposit Receipts:** 4 days from date of clearing of payment made by the depositor.
- b) **Dispatch of Deposit Receipts:** Deposit Receipts will be dispatched to the depositors within 2 weeks from the date of the receipt of application form by the Company.
- c) **Premature Withdrawal:** 1 day from the date of receipt of request for premature withdrawal along with the Deposit Receipt.
- d) **Repayment on Maturity:** If the Deposit receipts are received before the date of maturity, the repayment will be done before the end of banking hours on the date of maturity and if the deposit receipts are received after the date of maturity, the repayment will be done within a day of receipt of deposit receipts from the deposit holders.
- e) **Renewal of Fixed Deposits:** If the request for renewal of deposit is received before the date of maturity, the request for renewal will be processed within 2 days from the date of maturity and if the request for renewal is received after the date of maturity, it will be processed within 2 days from the receipt of request.

XVI. Nomination

Nomination facility is available to the individual applicants & sole proprietorship only and not available for other entities. Minors may also be nominated. The Company will deal with the guardian, till the minor attains majority. The Nominee must be Resident Indian and nomination can be made in favour of one individual only.

The Company shall acknowledge in writing to the depositor/s the filling of the relevant duly completed form of nomination, cancellation and/or variation of the nomination.

For availing the nomination facility, the applicant(s) is/are required to furnish the nominee details in this application form or applicant will be required to submit a duly filled 'Form DA1' as prescribed by Reserve Bank of India. The "Form DA 1" is available at the Head Office of the Company & Company's website at <https://www.berarfinance.com/deposits.html> Nomination made by the depositor/applicant(s) in the manner prescribed by the Company, shall be binding on all the joint depositor/applicant(s).

The facility to cancel the Nomination (Form DA 2) / change the Nomination (DA 3) already made is available to the depositor(s). The relevant Forms are available on the website of the Company at <https://www.berarfinance.com/deposits.html>.

The Company shall indicate the name of the Nominee on the Deposit receipt, if the depositor is agreeable to the same.

Where there is no nomination made by the depositor, either the Indian Court's order/ judgment/ decree will be obtained (as the case may be), directing the Company to pay the deposit to the legal heir.

XVII. Redressal of Complaints and Grievances

Depositors having any complaint/grievance with regard to services rendered by the Company has a right to approach following authorities for redressal of their complaints/grievances:

(A) Ombudsman under Reserve Bank - Integrated Ombudsman Scheme, 2021.

The Depositor aggrieved by an act or omission of the Company resulting in deficiency in service may file a complaint under the Reserve Bank - Integrated Ombudsman Scheme, 2021. The depositor may refer the Company's website www.berarfinance.com for further details and modes of filing complaint under the scheme.

(B) Consumer Disputes Redressal Forums

In case of any deficiency of the Company in servicing its deposits, the depositor may approach the National Consumer Disputes Redressal Commission, the State Level Consumer Disputes Redressal Commission or the district level Consumer Disputes Redressal Forum for relief.

(C) National Company Law Tribunal

- a) In case of non-repayment of the deposit or part thereof as per the terms and conditions of such deposit, the depositor may approach the Bench Officer, National Company Law tribunal, Mumbai Bench 4th floor, MTNL Exchange Building, Near G.D.Somani Memorial School, G.D.Somani Marg, Cuffe Parade, Mumbai-400 005. Acceptance of deposits/giving of loans and all related matters are subject to Nagpur Jurisdiction only.
- b) Deposit will be subject to the provisions of the Companies Act, 2013 and rules/regulations prescribed by Reserve Bank of India and any statutory authority from time to time.
- c) Any deposit which remains unclaimed and unpaid for a period of seven years from the date it becomes due for payment will be transferred to "The Investor Education and Protection Fund" established by the Central Government under section 125(1) of the Companies Act, 2013.

XVIII. Review of the Policy

The Policy shall be revised by the Board of Directors of the Company as and when necessary of their own or necessitated by statutory changes.
