

AU SMALL FINANCE BANK LIMITED
POLICY ON PRESERVATION OF DOCUMENTS

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Preamble

SEBI has through, **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations/Listing Regulations”)** has imposed certain obligations and disclosure requirements on all listed entities. Pursuant to Regulation 9 of Chapter III of the said Listing Regulations, all listed entities are required to formulate and put in place a board approved “Policy for preservation of documents”.

Definitions:

“**Act**” means the Companies Act, 2013.

“**Authorised Person**” means any person authorised by the Board.

“**Regulations**” / “**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

“**Bank**” means “AU Small Finance Bank Limited”

“**Documents**” means all papers, records, files, books, tapes, CDs, DVDs, electronic storage devices etc., and the like as required to be maintained under any law or regulation for the time being in force.

“**Board**” means the Board of directors of the AU Small Finance Bank Limited or its Committee.

The words and phrases used in this Policy and not defined here shall derive their meaning from the Applicable Law.

Coverage

This Policy is intended to guide the Bank and its officers on maintenance of any Documents, their preservation and disposal.

Purpose

This Policy outlines the Bank’s responsibility for the creation and management of documents and sets out the standards for managing, storing and preserving those documents either in Physical Mode or in Electronic Mode.

The policy further safeguards that all necessary documents and records of the Bank are adequately protected and preserved as per the statutory requirements and that the records of the Bank which are no longer required or are of no use are discarded after following due process.

Classification

- a) Documents whose preservation shall be permanent in nature.
- b) Documents with preservation period of not less than eight years after completion of the relevant transactions.
- c) Documents specified in clause (a) and (b) to be kept by the listed entity in electronic form.

Administration

The Record Retention Schedule as approved by the Board of Directors for initial maintenance, retention and disposal is given in the annexure.

Suspension of Record Disposal in the event of Litigation or Claims

In case the Bank is served with any notice for request of documents, or any employee becomes aware of a governmental investigation or audit concerning the Bank or commencement of any litigation against the Bank, such employee shall inform the top management, and any further disposal of documents shall be suspended until such time as the top management with the due advice from the legal counsel determine otherwise. The top management in such case shall inform all the employees by mail under "Userlist" of the need to retain the documents and suspension of disposal of the same.

Modes of Preservation

The document may be preserved either in Physical form and/or Electronic Form.

The officer of the Bank required to preserve the document shall be the Authorised Person who is generally expected to observe the compliance of requirement of applicable laws.

The preservation of documents should be such as to ensure that there is no tampering, alteration, destruction, or anything which endangers the content, authenticity, utility or accessibility of the Documents.

Principle of Responsibility of Employees for Preservation of Documents

All the Employees in the permanent roles of the Bank are responsible for taking into account the potential impacts on preservation of the documents in their work area and their decision to retain/preserve or destroy documents pertaining to their area. Such policy bestowing responsibility on the Bank's employees would immensely help Bank's litigation preparedness tool helping the Bank's and Outside legal counsel to track down documents to handle the legal cases.

The respective Departmental/Functional Heads of the Bank shall be responsible for maintenance, preservation and destroying of documents in respect of the areas of operations falling under the charge of each of them, in terms of this policy.

Periodical Review of the Policy by Top Management:

The Policy should be flexible and easy to understand and comply with by all levels of employees. The policy should be reviewed as and when deemed necessary by the top management and amendments effected to the same, subject to approval of the Board if any, and when practical difficulties are encountered. The top management may also review the policy on document retention to comply with any local, state, central legislation that may be broadcast from time to time.

Disposal of Records:

After the expiry of the statutory retention period the preserved documents for the both physical and electronic records may be destroyed in such a mode after following due process.

Record Retention Schedule:

Records should not be kept longer than it is necessary and should be disposed of at the right time as unnecessary retention of records consumes time, space and equipment use, therefore disposal will aid efficiency. The records referred in **Appendix** shall be preserved as mentioned therein and thereafter as per the discretion of the Board/committee, records may be disposed of in the manner prescribed by it.

The Bank shall maintain a record of preservation and disposal of records wherein the brief particulars of the records preserved and/or removed from the location after the expiry of its preservation period shall be entered.

APPENDIX

List of records

1. Accounting and Financial records including Annual Financial statement (Department Responsible – Finance & Accounts)

S. No.	Record Type	Retention Period applicable up to FY 20-21	Retention Period applicable from FY 21-22 Onwards
1	Accounts Payable ledgers and schedules	8 years	12 years
2	Accounts Receivable ledgers and schedules	8 years	12 years
3	Annual Audit Reports and Financial Statements	Permanent	Permanent
4	Annual Audit Records, including work papers and other documents that related to the audit	8 years form date of completion of audit	12 years form date of completion of audit
5	Bank Statement and Cancelled Cheques	Permanent	Permanent
6	General Ledger	Permanent	Permanent
7	Interim Financial Statements	Permanent	Permanent

**Note: For the years which are under litigation, books are required to be retained till one year from the end of year in which litigation is closed.*

2. Tax records (Department Responsible – Taxation)

S. No.	Record Type	Retention Period applicable from FY 21-22 Onwards
1	Tax Bills, Receipts, Statements	12 years
2	All Tax Returns i.e., ITR, GST Returns, Form 60 Return etc.	12 years
3	Tax computation details	12 years
4	Sales Tax Records	12 years
5	Annual Information Returns – Income Tax	12 years
6	Service Tax Records/GST records	12 years
7	Tax laws & tax related documents	12 years
8	Tax Orders & Notices	12 years

**Note: For the years which are under litigation, books are required to be retained till one year from the end of year in which litigation is closed.*

3. Legal Files and Records (Department Responsible – Legal & Respective Departments)

S. No.	Record Type	Retention Period
1.	Executed Contracts	8 Years from the date of termination/expiry of such agreement
2.	Legal Memoranda and Opinions	8 years after the closure of the matter
3.	Litigation files	8 years after attaining finality of the case(s)
4.	Court Orders other than in recovery suits	Permanent
5.	Records relating to Court Cases / CBI Cases / Police Cases/ Civil Suits/ Labour Court Cases/ Arbitration Cases	Permanent

S. No.	Record Type	Retention Period
6.	Register of Power of attorneys, if any	Permanent
7.	Intellectual Property documents	Permanent
8.	All show cause notice/Correspondence/Reports or any other notice received from any statutory authority, government departments, Judicial or Quasi-judicial authority etc.	8 Years

5. Property Records (Department Responsible – Infra)

S. No.	Record Type	Retention Period
1	Correspondence, Property title Deeds including purchase / sale deeds, Assessments, Licenses, Rights of Way relating to bank's property and non-banking assets acquired in satisfaction of suit claim.	Permanent
2	Lease Agreements	8 years after expiration / determination of the lease provided there is no dispute/ claim/ litigation is pending. If any such dispute persists, it should be preserved till the dispute is settled/closed

6. Payroll Records (Department Responsible – Human Resources)

S. No.	Record Type	Retention Period
1	Employee Deduction Authorization	3 years after termination of service of employment
2	Payroll Deductions	3 years after termination of service of employment
3	Labour Distribution Cost Records including details regarding gratuity and retiral Disbursements	3 years after termination of service of employment
4	Payroll Registers (Gross and Net)	3 years after termination of service of employment
5	Timecards / Sheets	3 years
6	Leave Records	3 years after the relevant period
7	Retirement and Pension Records	Permanent

7. Personnel and HR Records (Department Responsible – Human Resources)

S. No	Record Type	Retention Period
1	Personnel files of individual employees	Permanent
2	Commission / Bonuses / Incentives/ Awards	8 years
3	Employee Earnings Records	3 years after termination of service of employment
4	Employee Handbook & Induction Manual	Permanent
5	Employee Medical Records	On renewal basis
6	Attendance records, application forms, job or promotion records, performance evaluations,	3 years after termination of service of employment

S. No	Record Type	Retention Period
	termination papers, test results, training and qualification records, enquiry related papers	
7	Employment Contracts – Individual	3 years after termination of service of employment
8	Correspondence with Employment Agencies and Advertisements for job openings	3 years
9	Job Description	8 years after superseding the earlier Document

8. Sponsorship Projects Records (Department Responsible – Human Resources)

S. No.	Record Type	Retention Period
1	Sponsorship agreements	Permanent

9. Miscellaneous Records (Department Responsible – Human Resources)

S. No.	Record Type	Retention Period
1	Consultant Reports	8 years
2	Policy and procedures manuals – Original	Permanent
3	Policies and procedures manuals – Copies	Permanent

10. Corporate Social Responsibility (CSR) Records (Department Responsible – CSR Team)

S. No.	Record Type	Retention Period
1	Records on CSR Projects (including amount budgeted, spent and balance if any), projects undertaken and progress thereon	For a period of 8 years
2	All other Long-term development projects	For a period of 8 years

11. Correspondence and Internal Memoranda (To be done by Concerned Departments)

General Principle: Most correspondence and internal memoranda should be retained for the same period as the document they pertain to, or support provided there is no dispute in this regard. For instance, a letter pertaining to a particular contract would be retained as long as the contract is subsisting or till the disposal of issue if any in the subject contract.

Those pertaining to routine matters and having no significant, lasting consequences should generally be retained for eight years.

Those pertaining to non-routine matters or having significant lasting consequences should generally be retained permanent.

12. Electronic Documents including e-mail retention and back-up (Department Responsible – Information Technology)

S. No	Record Type
1.	Electronic Mail
	E-mails need to be retained only depending on the subject matter: -

	<ul style="list-style-type: none"> ➤ All e-mail from internal and external sources to be kept atleast for 24 months. ➤ Staff will keep all their e-mail related to business issues. ➤ The IT Team will keep Archival mails for 7 years. ➤ Staff will not store or transfer the e-mails related to the Bank on non-work related computers except as necessary or appropriate with due approvals from the Information Technology department and the respective managers.
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13. Investment Records (Department Responsible – Treasury)

S. No.	Record Type	Retention Period
1.	Investment Records	Permanent

14. Secretarial Records prescribed under the Companies Act, 2013

List of Secretarial documents/records to be maintained on Permanent basis

1. Memorandum & Articles of Association of the Bank along with Certificate of incorporation and Certificate for commencement of business
2. Annual Reports
3. Minutes of meetings of Board, Committees and Shareholders along with the Scrutinizer's report
4. Register of Members along with the Index
5. Register of Charges
6. Register of Transfers / Transmission of Shares
7. Register of Directors & KMP
8. Register of renewed and duplicate share certificate
9. Register of Loans, guarantee, Securities and acquisition made by the Company
10. Registers of Investments not held by Company in its own name
11. Registers of contract with related party, contracts & bodies etc. in which Directors are interested.
12. Record of Private Placement (PAS-5)
13. Policies of the Company framed under various regulations
14. Various Forms and returns filed with MCA in physical and electronic form.
15. Various filings with the Stock Exchange in physical and electronic form
16. Certificates/ Authorization / licenses obtained from various statutory authorities
17. Agreements made by the Company with Stock Exchanges, Depositories, etc.
18. Other records as may be required under any law(s), from time to time.

List of Secretarial documents/records to be maintained for a period of 8 years

1. Registers of Debenture holders along with the Index
2. Register of Buy Back;
3. Register of ESOP;
4. Register of Sweat Equity;
5. Register of Deposits as per Companies Act, 2013
6. Register of Allotment (from the date of each allotment) as per Companies Act, 2013
7. Return of declaration in respect of beneficial interest in any share as per Companies Act, 2013
8. Copies of annual returns
9. All notices/ Disclosure of Interest received from the Directors under Section 184 of the Companies Act, 2013 read with Rule 9 of the Companies (Meetings of Board and its powers) Rules, 2014.

10. Attendance Registers, Notice, Agenda and other related papers of the Meetings of Board, Committees & Shareholders.
11. Instrument creating or modifying charge (from the date of satisfaction of charge) as per Companies Act, 2013
12. Vouchers / Voucher register and books of accounts as defined under sub-section 13 of section 2 of the Companies Act, 2013
13. Copy of newspaper advertisement or publications.
14. Other records as may be required under any law(s), from time to time.