

AU SMALL FINANCE BANK LIMITED
POLICY ON PRESERVATION OF DOCUMENTS
APRIL, 2017

Version Control

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Contents	
Preamble.....	4
Definitions:	4
Coverage	4
Classification	4
Administration	5
Suspension of Record Disposal in the event of Litigation or Claims	5
Modes of Preservation	5
Principle of Responsibility of Employees for Preservation of Documents	5
Periodical Review of the Policy by Top Management:	5
1. Accounting and Financial records including Annual Financial statement (Department Responsible – Finance & Accounts).....	7
2A. Insurance records (Department Responsible – HR)	8
2B. Insurance records (Department Responsible – Infra)	8
3. Tax records.....	8
4.	8
Contracts entered into by the Bank	8
5. Records including Certificate of Incorporation, Listing Agreement and approvals from statutory authorities.....	9
6. Legal Files and Records.....	9
7.	10
Property R Records	10
8. Payroll Records	11
9. Pension and retiral related Records (Department Responsible – Human Resources).....	12
10. Personnel and HR Records.....	13
11. Programs & Service Records.....	14
12. Sponsorship Projects Records	14
13. Corporate Social Responsibility (CSR) Records.....	14
14. Correspondence and Internal Memoranda (To be done by Concerned Departments) ..	14
15. Electronic Documents including e-mail retention and back-up	21
16. Investment Records	22
17. Miscellaneous Records	22
18. Secretarial Records prescribed under the Companies Act, 2013	23
(Permanent).....	23
(Secretarial Records to be maintained for the period of 8 years).....	23

Preamble

SEBI has through its circular, **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)** has imposed certain obligations and disclosure requirements on all listed entities. In pursuant to Regulation 9 of the said circular all listed entities are required to formulate and put in place a policy for preservation of documents.

Definitions:

“Act” means the Companies Act, 2013.

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

“Regulations” means the Securities Exchange Board of India (Listing Obligation 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 or its Committee.

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

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

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 sets the standards for managing, storing and preservation of documents of the Bank.

Classification

Document that need to be preserved permanently.

Document that may be preserved/ retained for a period of 8 years after completion of the relevant transaction.

Documents to be preserved electronically.

Administration

The Record Retention Schedule approved by the Board of Directors for initial maintenance, retention and disposal schedule for physical records 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 in Physical form and Electronic Form.

The officer of the Bank required to preserve the document shall be 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 rolls 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.

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 periodically 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

APPENDIX

List of records

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

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

2A. Insurance records (Department Responsible – HR)

S. No.	Record Type	Retention Period
1	Group Insurance Plans – Active Employees	8 years
2	Group Insurance Plans - Retirees	Permanent

2B. Insurance records (Department Responsible – Infra)

S. No.	Record Type	Retention Period
1	Insurance Policies for the Bank	Permanent

3. Tax records

(Department Responsible – Finance & Accounts)

S. No.	Record Type	Retention Period
1	Tax Bills, Receipts, Statements	Permanent
2	Tax Returns	Permanent
3	Tax computation details	Permanent
4	Sales Tax Records	Permanent
5	Annual Information Returns – Income Tax	Permanent
6	Service Tax Records	Permanent

4. Contracts entered into by the Bank

(Department Responsible – Legal / Business Development & Planning /Respective Departments)

S. No.	Record Type	Retention Period
1	Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documents)	8 Years from the date of termination/expiry of such agreement

5. Records including Certificate of Incorporation, Listing Agreement and approvals from statutory authorities

(Department Responsible – Share)

S. No.	Record Type	Retention Period
1	Certificate of incorporation	Permanent
2	Memorandum / Articles of Association	Permanent
3	Listing Agreement	Permanent
4	Common Seal	Permanent
5	Minutes of meetings of Board/ Board Committees	Permanent
6	Annual Reports	Permanent
7	ROC Filings and Stock Exchange filings in physical and electronic form	Permanent
8	Record of Private Placement (PAS-5)	Permanent
9	Register of Duplicate and Renewed Share Certificate	Permanent
10	Register of Transfers / Transmission of Shares	Permanent
11	Register of Directors & KMP	Permanent
12	Register of Members	Permanent

6. Legal Files and Records

(Department Responsible – Legal)

S. No.	Record Type	Retention Period
1	Legal Memoranda and Opinions	8 years after the closure of the matter
2	Litigation files	8 years after attaining finality of the case(s)
3	Court Orders other than in recovery suits	Permanent

7. 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	Original 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

8. Payroll Records
(Department Responsible – Human Resources)

S. No.	Record Type	Retention Period
1	Employee Deduction Authorization	8 years after termination of service of employment
2	Payroll Deductions	8 years after termination of service of employment
3	Labour Distribution Cost Records including details regarding gratuity and retiral Disbursements	8 years after termination of service of employment
4	Payroll Registers (Gross and Net)	8 years after termination of service of employment
5	Time Cards / Sheets	8 years
6	Unclaimed Wage Records	8 years
7	Leave Records	8 years after the relevant period

9. Pension and retiral related Records (Department Responsible – Human Resources)

S. No.	Record Type	Retention Period
1	Retirement and Pension Records	Permanent

10. 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	8 years after termination of service of employment
4	Employee Handbook & Induction Manual	Permanent
5	Employee Medical Records	8 years after termination of service of employment
6	Attendance records, application forms, job or promotion records, performance evaluations, termination papers, test results, training and qualification records, enquiry related papers	8 years after termination of service of employment
7	Employment Contracts - Individual	8 years after termination of service of employment
8	Correspondence with Employment Agencies and Advertisements for job openings	8 years
9	Job Description	8 years after superseding the earlier Document

11. Programs & Service Records
(Department Responsible – Human Resources)

S. No.	Record Type	Retention Period
1	Attendance Records	8 years
2	Program statistics, etc,	8 years
3	Research & Publications	Permanent

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

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

13. Corporate Social Responsibility (CSR) Records **(Department Responsible – Business Development & Planning)**

S. No.	Record Type	Retention Period
1	Records on CSR Projects(including amount budgeted, spent and balance if any), projects undertaken and progress thereon	Permanent

14. 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 permanently.

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

S. No.	Record Type
1	<p>Electronic Mail</p> <p>E-mails need to be retained only depending on the subject matter:-</p> <ul style="list-style-type: none"> ☐ All e-mail from internal and external sources to be deleted after 24 months. ☐ Staff will strive to keep all but an insignificant minority of their e-mail related to business issues. ☐ The Information Technology department would archive e-mail for six months after the staff has deleted it. Thereafter the email will be permanently deleted. ☐ 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. ☐ Staff will take care not to send confidential / proprietary information to outside sources. ☐ Any e-mail that the staff deemed vital to the performance of their job should be copied to the staff's specific folder and/or printed and stored in the employees' workplace.
2	<p>1. Electronic Documents including PDF files.</p> <ul style="list-style-type: none"> ☐ PDF documents – Can be a maximum period of 8 years. But the said document may be destroyed depending upon the completion of the job or its use coming to an end. ☐ Text/ Formatted files: All word / excel / Power point files may be deleted once every year depending on the importance or lack of it.
3	<p>Web page files:-</p> <ul style="list-style-type: none"> ☐ May be retained for a period of 5 years as specified in SEBI LODR Regulations, 2015. ☐ May be archived by the I.T. department with the support of the service provider for a period of 3 years after the initial period of five years of live page.

16. Investment Records

(Department Responsible – Treasury)

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

17. 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
4	Dealership agreements	Permanent

18. Secretarial Records prescribed under the Companies Act, 2013
(Permanent)

1. Memorandum & Article of Association of the Bank
2. Minutes of General Meetings, Board & Committee meetings
3. Register of members & Index
4. Foreign Register of Members
5. Register of Charges
6. Register of renewed and duplicate share certificate
7. Register of Loans, guarantee, Securities and acquisition made by the Company
8. Registers of Investments not held by Company in its own name
9. Registers of contract with related party, contracts & bodies etc. in which Directors are interested.
10. Registers of Directors and KMPs
11. Intellectual Property documents (Others

(Secretarial Records to be maintained for the period of 8 years)

- a. Registers of Debenture holders.
- b. Copies of annual returns
- c. Disclosure of Interest received from the Directors
- d. Changes to Memorandum & Article of Association
- e. Attendance Registers, Notice, Agenda and other related papers.

Approving Authority	Board of Directors
Date of Approval/ Review	17/04/2017

Sd/-
Manmohan Parnami