



Record Retention and Archival Policy

History of Revisions

Version	Summary of Revisions	Date of Approval
1.6	Annual Review	31-Oct-22
1.5	Changes done by Business	29-Apr-21
1.4	Annual Review	09-Nov-20
1.3	Annual Review	07-Nov-19
1.2	Annual Review	01-Nov-18
1.1	Policy Formulation	31-Jan-17

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1. Preamble

1.1 Objective of the Policy

The objective of this Policy is to provide a framework, which will enable the Equitas Small Finance Bank to deal with the retention and archiving of the corporate records of Equitas Small Finance Bank Limited. The purpose of this Policy is to ensure that the all the necessary documents and records of the Bank are adequately protected and preserved as per the statutory requirements and to classify the documents in two categories i.e.

- a. Documents which need to be preserved permanently and
- b. Documents, which need to be preserved for a specific period of time.

1.2 Scope of the Policy

- a. This policy will cover the role, rights and responsibilities of the Equitas Small Finance Bank (ESFB or "Bank") to ensure that the all the necessary documents and records of the Bank are adequately protected and preserved as per the statutory requirements.
- b. This policy will cover all business records of the Bank, including written, printed and recorded matter and electronic forms of records.
- c. The Chief Financial Officer and the Compliance Officer jointly would be responsible for overseeing the implementation of the Policy.

1.3 Definitions

- a. Act: "Act" means the Companies Act, 2013 including any amendment or modification thereof.
- b. Board: Board means Board of Directors of the Bank
- c. Chief Financial Officer: "Chief Financial Officer" means a person appointed as the Chief Financial Officer of the Bank under the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- d. Bank: "Bank" means Equitas Small Finance Bank Limited.
- e. Compliance Officer: "Compliance Officer" means the Chief Compliance Officer of the Bank who is responsible to assist the top management in managing effectively the compliance risks faced by the bank.
- f. Director: "Director" means a person as defined in Section 2(34) of the Companies Act, 2013 and presently appointed as a Director in the Bank.
- g. Document: "Document" means all business records of the Bank in written, printed and recorded matter and electronic forms of records and includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of the Companies Act 2013, SEBI Act 1992, Banking Regulation Act, 1949 or under any other law for the time being in force or otherwise, maintained on paper or in electronic form
- h. Employees: "Employees" shall mean the employees and office-bearers of the Bank, including but not limited to Whole Time Directors.

- i. Key Managerial Personnel: “Key Managerial Personnel” shall mean the officers of the Bank as defined in Section 2 (51) of the Companies Act, 2013 and rules prescribed thereunder.
- j. Regulations: “Regulations” shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- k. Secretarial Standards: “Secretarial Standards” means standards issued by the Institute of Company Secretaries of India under section 118 (10) of the Companies Act 2013.
- l. Stock Exchange or Exchanges: “Stock Exchange or Exchanges” shall mean BSE Limited and National Stock Exchange of India Limited
- m. Any other term not defined herein shall have the same meaning as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Companies Act, 2013, Securities Contract Regulation Act or any other applicable law or regulations.

2. Regulatory Framework Applicable Regulations

2.1 Banking Regulation Act, 1949

Power of Central Government to make rules for the preservation of records

The Central Government may, after consultation with the Reserve Bank and by notification in the Official Gazette, make rules specifying the periods for which:

- (a) A banking company shall preserve its books, accounts and other documents; and
- (b) A banking company shall preserve and keep with itself different instruments paid by it. (Clause 45Y of the Act)

2.2 SEBI {Listing Obligations & Disclosure Requirements} Regulations 2015

The listed entity should have a policy for preservation of documents, approved by its board of directors, classifying them in at least two categories as follows-

- a. documents whose preservation should be permanent in nature ;
- b. documents with preservation period of not less than eight years after completion of the relevant transactions

Provided that the listed entity may keep documents specified in clauses (a) and (b) in electronic mode. (Clause 9 of the Regulations)

2.3 RBI Notification on Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/ Combating the Financing of Terrorism (CFT)/ Obligation of Authorized Persons under Prevention of Money Laundering Act (PMLA), 2002 – Money Changing Activities - Change in period of maintenance and preservation of records dated June 25, 2014

Banks are required to maintain and preserve records mentioned therein for a period of at least ten years. In view of the amendment to Section 12 of Prevention of Money Laundering Act, 2002 through Prevention of Money Laundering (Amendment) Act, 2012, Banks are now required to maintain and preserve records for a period of at least five years. (Clause 2 of the circular)

2.4 RBI Circular on Record Maintenance dated February -02, 1998

2.4.1 It is, therefore, the responsibility of the Board of Directors and the management of each bank to maintain adequate records of accounting and other information. The Board and management (which is hereinafter collectively referred to as 'the management') have, therefore, to assess and judge what is adequate in the context of their bank. They may be required, if necessary, to explain their decision and underline reasoning and rationale in relation to the policy and procedure adopted for their bank, to the Supervisors or Inspectors of the Reserve Bank of India (the Bank) who may give Directions to amend the record maintenance procedures, if they deem it appropriate in relation to a particular bank. (Clause 1)

2.4.2 Record Maintenance has been divided into three components, each being dealt with in a separate section of the circular:

- record keeping
- record retention
- record media (Clause I – Annexure)

2.5 RBI Circular – Record Maintenance Policy of Banks – Revised Guidelines dated June 27, 2002

2.5.1 Main issues having bearing on maintenance of records in banks where revisions have been suggested are as under:

- a. Provisions of Information Technology Act 2000 and policy guidelines on Internet Banking, Information System Security, Information System audit etc. issued from RBI in the recent past, to the extent relevant, may be taken into account while devising the policy for record maintenance
- b. Audit of Information System (IS Audit) should also cover record maintenance aspects as well. In case a bank's data is warehoused in a facility managed by an outside agency other than the bank in India, the bank has to ensure that all requirements as regards safety, security and availability, etc. of data are met. The facility should also be subject to scrutiny routinely under IS audit and should be made available for examination during RBI inspection as and when required.
- c. Banks would continue to require prior approval of the RBI to maintain records in offshore locations.
- d. Banks are advised to build in required flexibilities to bring in necessary changes in their policies and procedures for maintenance of records with further developments in information technology and information system management. (Clause 3)

2.5.2 Compliance of the revised guidelines would be expected as under:

- a. Review of the present record maintenance policy of the bank in the light of the revised guidelines and placing the revised policy before the Board for approval.
- b. Approval of the policy by RBI: If approval of the existing record maintenance policy has been obtained by a bank from RBI, there is no need to forward the revised policy for approval to RBI. However, a communication may be sent to RBI regarding adoption of the revised policy after approval of the bank's Board. If approval of the existing record maintenance policy was not taken so far by a bank from RBI, the revised policy after approval at the Board may be forwarded to RBI for one-time approval. (Clause 4)

2.6 The Companies Act, 2013, Secretarial Standards, Labor Laws, Tax Laws and all other applicable laws for the time being in force, will govern this policy.

2.7 Insurance Regulatory and Development Authority of India (Minimum Information Required for Investigation and Inspection) Regulations, 2020 dt November 23, 2020,

2.7.1 Board Approved Policy on Record Maintenance: The insurers, intermediaries and insurance intermediaries shall put in place appropriate policy, approved by their Boards, on maintenance of records and destruction of old records, both physical and electronic form, considering the nature, importance, business needs and other applicable legal requirements.

Provided, the records, other than those specified under Regulation 12, shall be maintained either for a minimum period of 10 years or as per the extant legal requirements, if any, applicable, whichever is later:

- (a) From the date of last transaction on the respective records, or
- (b) From the date of expiry of the policy. (Clause 24)

2.7.2 Every insurer shall retain all the documents relating to claims settled, including copies of any survey, investigation or loss assessment reports connected therewith: -

- a. in respect of every loss or damage on which a claim of less than Rs.1,00,000 has been made, for a period of three years;
- b. in respect of every loss or damage on which a claim of Rs.1,00,000 or more but less than Rs.10 lakhs has been made, for a period of five years;
- c. in respect of every loss or damage on which a claim of Rs.10 lakhs or more but less than Rs.20 lakhs has been made, for a period of seven years; and
- d. in respect of every loss or damage on which a claim of Rs.20 lakhs or more has been made, for a period of twelve years.

Such period being counted from the date on which the claim is settled. (Clause 12)

3. ESFB Policy framework

3.1 General Guidelines

- a. Documents, which are required to be mandatorily maintained and preserved by the Bank, will be preserved for such duration as may be specified by the relevant statute or regulation as the case may be.
- b. Documents in respect of which no minimum maintenance timeline is stipulated under any of the laws will be preserved in accordance with this policy.
- c. All the documents, records that are statutorily required to be hosted on the website of the Bank as per SEBI regulations or other applicable law, will be hosted on the website for a minimum period of five (5) years or for such period as maybe mentioned in the relevant law whichever is longer.
- d. Data will be made available in a format suitable for the purpose for which it is required and will be available to authorized individuals (including RBI inspectors and internal / external auditors) on a timely basis. Further, access to confidential data will be restricted to the authorized individuals (including RBI inspectors, internal and external auditors) and that customer confidentiality is maintained.
- e. The Bank will ensure appropriate controls exist at the time of conversion of records from paper to non-paper.

- f. Back-up arrangements will be put in place for all records held in electronic form or any other records subject to risk of loss. Periodical testing is undertaken for recovery / verification / retrieval of data, as and when required, and that business continuity and disaster recovery systems are in place as per the Bank's Information Security Policy.
- g. Any change in the governing laws affecting the change in period of preservation of documents will prevail over this policy.

3.2 Preservation of Documents / Records

The Minimum Retention Requirement of the different categories of the Bank records is provided in the Retention Schedule, which is disclosed by way of Annexure to this Policy. The Documents might be stored in soft copy also.

3.3 Custody of Documents

All documents will be under the custody of respective head of the departments as detailed below:

Sl. No	Documents	Authorized persons
1	Tax / Accounting Records / Financial Statements	CFO
2	Board and Committee Minutes / Statutory Registers	Company Secretary
3	Employment / Personnel Records / Lease Documents / Contracts	Head-HR
4	Customer Transaction documents & KYC documents	Head-Operations
5	Legal Documents	Head-Legal
6	Intellectual Property	Head- IT

3.4 Destruction of Documents

The documents specified in the Annexure to this Policy, kept by the Bank, may be destroyed after the expiry of the minimum retention period specified in the Annexure and after review and approval by the aforementioned authorized persons.

The documents not specified in the Annexure will be destroyed after the period of five years after review and approval by Authorized persons as decided by Management. However, in the case of pending matters/ litigation/ disputes, the documents will be preserved until the resolution of pending matter/ litigation/ dispute.

The Bank will ensure clear guidelines are available for control measures, including authorization and approval requirements prior to destruction.

4. Provisions in policy over and above but in consonance with RBI guide lines

Nil

5. Changes to the Policy

Not Applicable

6. Periodicity of Review of the Policy

The Board will review this policy at annual intervals and at such intervals as may be required on the regulatory and other exigencies.

Author of the Policy	Secretarial
Reviewer of the Policy	Compliance
Name of Committee which recommended to the Policy Formulation Committee of the Board	Executive Policy Formulation Committee
Date of Board Approval	31-Oct-22
Date of Next Review	31-Oct-23

ANNEXURE- RETENTION SCHEDULE

SI No.	Record Category	Record Type	Retention Requirement
1	Board Meeting & Committee Meeting records	1. Minutes of the meeting of Board of Directors and Committee constituted by the Board	Permanent
2	General Meeting records	1. Register & Index of members 2. Minutes	Permanent
3	Other Secretarial Records	1. Incorporation / Conversion/ Business commencement Certificates. 2. Memorandum of Association & Articles of Association. 3. Various Statutory Registers pursuant to the Companies Act, 1956 and/or Companies Act, 2013. 4. Share Transfer, transmission etc. correspondences with the Registrar & Share Transfer Agent.	Permanent
		1. Non-statutory Registers under the Companies Act, 1956 and/or Companies Act, 2013 2. Attendance register of Board of Directors Meeting and General Meetings 3. Register and index of Debenture-holders	8 years from the Financial Year in which the latest entry is made. 8 years from the Financial Year in which the latest entry is made 15 years after the redemption of debentures
		1. Copies of all annual returns along with certificates & documents required to be annexed thereto.	8 years from the date of filing with the Registrar.
4	Insurance records	1. Insurance Policy Execution/Renewal Certificate 2. Insurance Claims under various Policies	For Policies with no claim – 3 years from the lapse of the Policy. For Policies in respect of which claim is Preferred – 5 years from the date of settlement of the claim.

SI No.	Record Category	Record Type	Minimum Retention Requirement
5	Contracts/ Agreements/Purchase Orders	1. Renewal 2. Modification 3. Termination of : Contracts/ Agreements/ Purchase Order	8 years from termination of Contract/Agreement/completi on of purchase.
6	Loan Agreements with the Clients	1. Agreement 2. Modification 3. Loans involving mortgage of property 4. Title Deeds deposited by borrowers 5. All the other documents in connection with the loan including KYC documents received from Customers at the time of opening loan accounts shall be maintained electronically.	8 Years 8 Years 12 Years Permanent till the customer takes it back. Shall be maintained in electronic form for 8 years
6	SEBI & Stock Exchange Records	1. Listing Agreement 2. Statutory Returns/Reports etc. submitted from time to time	Permanent 8 years
		1. License Certificate/ Renewal Certificate	Permanent

7	RBI Records	<ol style="list-style-type: none"> 1. Client Records & transactions pursuant to the 'Know Your Customer' (KYC) Guidelines – Anti-Money Laundering Standards (AML) - 'Prevention of Money Laundering Act,2002 2. Records pertaining to the identification of the customers and their address (e.g. copies of documents like passports, identity cards, driving licenses, PAN card, utility bills, etc.) obtained while opening the account and during the course of business relationship shall be maintained in Electronic form. 3. Records pertaining to complex, unusual, large transactions and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose. 4. Statutory Returns/Reports etc. submitted from time to time. 	<p>8 years after completion of the relevant transactions.</p> <p>Maintained in electronic form for a period of 8 years after completion of the relevant transactions.</p> <p>8 years after the business relationship ended</p>
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SI No.	Record Category	Record Type	Minimum Retention Requirement
8	Misc. Licenses obtained from Statutory Authorities	-	Permanent
9	Property Records	1. Agreements/Contracts 2. Documents relating to acquisition and sale of Real Property.	Permanent
10	Legal	Correspondence with Courts/ other statutory bodies regarding any petition/ case/suit etc.	5 years from the date of decree
11	Personnel Records	Official Personnel Files of Active Employees	To be retained during active employment
		Official Personnel Files of inactive Employees	3 years from the date of Termination of employment.
12	Labor Law records	1. Registration/ Renewal Certificate under various Acts Relating to Labor laws. 2. Maintenance of various Registers under the various acts in force read with the Rules made thereunder, relating to Labor laws.	Permanent 3 years or such period as may be prescribed from time to time

13	Finance	1. Audited Financial Statements 2. Auditors Reports 3. Books of Accounts & Vouchers	8 financial years following the relevant Financial Year. In cases where books and vouchers are subjects of enquiry, the relevant documents shall be kept until the expiry of 3 years after the final resolution of the enquiry.
14	Taxation	1.Registration/Amendment Certificate under various relevant provisions in force. Preservation of specific books of accounts	Permanent 8 financial years following the relevant Financial Year. In cases where books and vouchers are subjects of enquiry, the relevant documents shall be kept till the expiry of 3 years after the final resolution of the enquiry.
15	Other documents not covered herein above	Records pertaining to various other laws in force	As required under various other laws in force, from time to time.
16	Insurance Intermediary – Corporate Agency	Insurance Regulatory and Development Authority of India (Minimum Information Required for Investigation and Inspection) Regulations, 2020 dt November 23, 2020,	Maintenance of records and destruction of old records, both physical and electronic form, considering the nature, importance, business needs and other applicable legal requirements shall be maintained either for a minimum period of 10 years or as per the extant legal requirements, if any, applicable, whichever is later: (a) From the date of last transaction on the respective records, or (b) From the date of expiry of the Insurance policy.