

UNITY SMALL FINANCE BANK LIMITED

RECORD MAINTENANCE POLICY

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1. INTRODUCTION

As per Rules 3, 4 and 5 of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, the Bank needs to maintain an exhaustive list of records basis: (i) their nature and value; (ii) records containing information; and (iii) procedure and manner of maintaining information.

The bank needs to preserve records in compliance with RBI Master Direction- Know Your Customer (KYC) Direction, 2016 dated February 25, 2016, as amended from time to time

The Record Maintenance Policy of Unity Small Finance Bank Limited (hereinafter called “the Bank”) governs the obligations and responsibilities of all staff at the Bank in relation to the management of official records. Under this policy, each department has an obligation to maintain official records and keep them in good order and condition. This obligation applies not only to the capture, storage, maintenance and disposal of physical records, but also to records in electronic form.

2. PURPOSE

The purpose of this policy is to establish the framework needed for effective records management of the Bank. This policy provides advice to employees on the creation and use of various records and documents. It also sets standards for classification, management, preservation and storage of these records.

3. DEFINITIONS

- i. “Document(s)” refers to application forms, KYC documents, notes, agreements, notices, advertisements, requisitions, orders, declarations, other forms, vouchers, correspondence, minutes, registers and or any other record (including required under or in order to comply with the requirements of any applicable law) maintained on paper or in Electronic Form and does not include multiple or identical copies.
- ii. “Electronic Form” means maintenance of documents in an electronic device/format such as computer, laptop, compact disc, floppy disc, cloud storage, or any other form of storage and retrieval device, considered feasible, whether the same is in possession or control of the Bank.

4. OBJECTIVE

To determine preservation period for records/documents based on their reference value and legal and statutory/ regulatory requirements. The following aspects are considered while arriving at the preservation period:

- Company's own information retrieval needs
- Statutory/ regulatory requirements under respective statutes/ regulations.
- Litigation requirements
- To ensure easy retrieval.
- To ensure that unwanted records do not occupy storage space

5. RESPONSIBILITY OF RECORDS

The departmental head concerned will be responsible for the maintenance, preservation and destruction of records pertaining to the respective Department. The department head shall go through this policy and educate his/ her departmental members in this regard.

6. LEGISLATIVE FRAMEWORK AND STANDARDS

The Bank must comply with the following records and archives legislations:

- Banking Regulations Act
- RBI Act
- The Banking Companies (Period of Preservation of Records) Rules
- PMLA
- Companies Act
- Any other relevant regulations/ law.

7. CONTROL OF RECORDS

- **Security** - Records must be made accessible only to the authorised users. Authorised Officers of the Bank enacting the normal course of their duties must have access to relevant records only. All customer information must be secured within all levels of the Bank.
- **Storage** - Records should be stored in conditions that are clean and secure, with low risk of damage from fire, water, dampness, mould, insects and rodents. They should also be kept away from direct sunlight and other sources of light and heat. The storage area should be well ventilated and ideally maintained at a stable temperature and humidity

8. PRESERVATION

The minimum retention requirements of the different categories of the Company's records is provided in the "Annexure" to this policy.

The preservation location will be the concerned Branch/department. If the location is other than the concerned department, the same should be documented and kept in a file for reference purpose in the respective department. In case of critical documents which need to be preserved for very long periods or permanently, the same shall be sent to agreed storage vendor/centralised storage for preservation. The Company may have arrangements with service providers in this regard.

9. DISPOSAL AND DESTRUCTION OF RECORDS

Records which no longer serve a useful purpose or have completed their period of preservation as required under law/ regulations may be destroyed. Hard copy of the records shall be destroyed by shredding or such others means so as to make them unreadable. Electronic documents may be destroyed in consultation with the Head of the concerned department with the help of Information Technology department.

10. AUDIT AND REVIEW

All stored documents will be subject to audit to ensure compliance with legislative requirements and with the requirement of this policy.

This policy may be reviewed from time to time. Material changes to the policy will need the approval of the Board of Directors.

11. MODE OF PRESERVATION

Records/documents may be preserved either physically or in electronic form/soft copy. If it is stored in electronic form/ soft copy, it should be on a secured environment.

12. POLICY REVIEW & UPDATES

- This Policy shall be updated from time to time to keep it in line with the requirements of business and in order to observe compliance with the applicable rules/ regulations/ statutes.
- In case of conflict between this Policy and the regulatory/ statutory provisions, the latter shall prevail.
- The policy shall stand automatically amended in case of any regulatory/ statutory amendments.

Annexure

Sr No.	Record Type	Minimum no. of years
1	<p>Records as required under RBI Master Direction on Know your Customer and PMLA Act:</p> <p>a. Records of transactions between the Company and the customer</p> <p>b. Records pertaining to the identification of the customers and their addresses obtained while opening the account and during the course of business relationship including KYC/Photograph's of Applicant & co-applicant, KYC of co-applicant.</p>	<p>a. 5 years from the date of transaction</p> <p>b. 5 years after the business relationship has ended</p>
2	Records as required under The Banking Companies (Period of Preservation of Records) Rules, 1985	Period of 5 years immediately preceding the current calendar year.
3	<p>Records as required under PMLA Act & rules:</p> <p>Record of transactions prescribed under Rule 3 (as described below) of Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (PML Rules, 2005) as applicable to the Company:</p> <p>All suspicious transactions whether or not made in cash.</p>	10 years from the date of cessation of transaction between the client and the Company
4	<p>Correspondence with Regulatory authorities, Statutory bodies and Stock exchange including the following correspondences:</p> <p>Periodic returns</p> <p>Inspection reports</p> <p>Statutory registers as required under Companies Act & other laws/ regulations</p> <p>Debenture register</p> <p>Share transfer, transmission, correspondence with Registrar and Share Transfer Agent</p>	Permanent

Sr No.	Record Type	Minimum no. of years
5	Licenses obtained from various Regulatory & Statutory Authorities including the following <ul style="list-style-type: none"> ➤ Certificate of registration issued by RBI ➤ Certificate of incorporation/ conversion/ business commencement/ change in object clause ➤ Memorandum and Articles of Association ➤ Common seal. 	Permanent
6	Secretarial Records:	
a.	Board Meeting & Committee Meeting Records: <ul style="list-style-type: none"> ➤ Board resolutions & Committee resolutions ➤ Board minutes & Committee minutes ➤ Audit Reports ➤ Policies ➤ Attendance register 	Permanent
b.	General Meeting Records (attendance register, register and index of members, minutes) <ul style="list-style-type: none"> ➤ Annual Reports ➤ Share Certificates 	Permanent
c.	Proof of sending notice, agenda, notes on agenda and its delivery	3 years from the date of the respective meetings.
d.	Proof of sending & delivering draft of resolution, draft minutes and signed minutes	3 years from the date of the respective meetings
e.	Correspondence with security holders pertaining to complaints	8 years from the date of resolution of complaint
f.	Office copies of Notices, Agenda, Notes on Agenda and other related papers.	8 years
g.	Other secretarial records: <ul style="list-style-type: none"> a. Agenda b. Copies of Annual returns and copies of all certificates and documents required to be annexed thereto 	a. 8 years from the date of the respective meetings b. 8 years from the date of filing with the Registrar
7	Books of accounts and related records	8 years
8	Human resource related records	

Sr. No.	Record Type	Minimum no. of years
a	Files of active employees	To be retained during employment
b	Files of inactive employee	8 years from the last working day of the employee
c	Provident Fund records	10 years
d	ESIC records & Labour Welfare Fund records	5 years
e	Professional Tax records	8 years
8	Legal records such as legal opinions, arbitration and litigation files, etc.	10 years
	Court orders	Permanent