

**SPANDANA SPHOORTY FINANCIAL LIMITED**

**POLICY ON PRESERVATION OF STATUTORY AND CUSTOMERS DOCUMENTS**

**Date of Implementation: January 23, 2018**

**Date of Amendment: May 22, 2021**

**1. Objective:**

This Policy on preservation of document is in line with both the SEBI regulation and RBI's PMLA guidelines on Record retention, archival, destruction. The policy is divided into Part A and Part B.

**PART A**

**Preamble:** Part A is with reference to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every listed entity to formulate a policy on preservation of documents which has to be approved by the Board of Directors of the Company.

The Regulations requires the Board of Directors of a company to frame a Policy for Preservation of Documents classifying them in to two categories:

- i. Documents whose preservation shall be permanent; and
- ii. Documents to be preserved for not less than eight years.

The Documents that are required to be maintained under this Policy are preserved considering their importance, usefulness and information. The Company recognizes that documents whether in physical or electronic mode, forms an important and integral part of the Company's records. The preservation of documents is important in order to ensure immediate access to the records, its retrieval and authentication.

Accordingly, the Board of Directors of Spandana Sphoorty Financial Limited has adopted this Policy for preservation of documents. This Policy can be modified and or amended with the approval of the Board of Directors of the Company.

**2. Applicability:**

This Policy is applicable to all documents maintained in physical and electronic mode by the Company.

The documents not covered under this Policy shall be preserved and maintained in accordance with the provisions of the respective Acts, Rules, Guidelines and Regulations as applicable under which those documents are maintained.

**3. Definitions:**

**“Act”** means the Companies Act, 2013, Rules framed thereunder and any amendments thereto.

**“Applicable Law”** means any law, rules, circulars, guidelines or standards under which the preservation of the Documents has been prescribed.

**“Board”** means the Board of Directors of the Company or its Committee

**“Books of Account”** as per Section 2(13) of the Companies Act, 2013 includes records maintained in respect of—

- (i) All sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
- (ii) All sales and purchases of goods and services by the company;
- (iii) The assets and liabilities of the company; and
- (iv) The items of cost as may be prescribed under section 148 in the case of a company which belongs to any class of companies specified under that section;

**“Company”** means Spandana Sphoorty Financial Limited

**“Document(s)”** refers to papers, notes, agreements, notices, advertisements, requisitions, order, declarations, forms, correspondence, minutes, indices, registers and or any other record, required under or in order to comply with the requirements of any applicable law, whether issued, sent, the time being in or otherwise, maintained on paper or in electronic form received or kept in pursuance of the Act or under any other law for the time being in force and does not include multiple or identical copies.

**“Electronic Record(s)”** means the electronic record as defined under clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000.

**“Electronic Form”** means on any electronic device such as computer, laptop, compact disc, floppy disc, space on electronic cloud, or any other form of storage and retrieval device, considered feasible, whether the same is in possession or control of the Company or otherwise the Company has control over / access to it.

**“Maintenance”** means keeping Documents, either physically or in Electronic Form.

**“Preservation”** means to keep in good order and to prevent from being altered, damaged or destroyed.

**“Register”** means documents and records required to be maintained under:

- a. The Companies Act, 2013 and Rules thereunder
- b. SEBI Regulations
- c. Secretarial Standards
- d. Any other law for the time being in force

**“Records”** means documentary evidence of past events or transactions

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

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

#### **4. Preservation of Documents:**

For the purpose of this Policy the term *“Documents”* shall mean statutory certificates, records, registers, returns, forms etc. required to be maintained and preserved by the Company in physical or electronic form under the Companies Act, 2013, Securities and Exchange Board of India, Reserve Bank of India, Depository Act, 1996 and Secretarial Standard issued by Institute of Companies Secretaries of India.

**a) To be preserved permanently:**

**i. Companies Act, 2013:**

- Memorandum and Articles of Association of the Company, as amended from time to time
- Certificate of Incorporation
- Books and documents related to the issue of share certificates
- Register of Directors and Key Managerial Personnel (KMP) and securities held by them, Loan and Investment, Charges, members, Related Party Transactions (RPT), etc
- Register of Transfer and Transmission
- Minutes of the meetings of Board of Directors, Committees of the Board and General Meetings of the Company
- Documents related to appointment of Managerial personnel
- Policies related to Secretarial and Legal (such as CSR Policy, NRC Policy, HR, etc)

**ii. Reserve Bank of India (RBI):**

- NBFC Certificate issued by RBI
- Form FC – GPR, FC – TRS, ARF etc.

**iii. Secretarial Standards:**

- Minutes of the meetings of Board of Directors, Committees of the Board and General Meetings of the Company in physical or Electronic Form

**iv. Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015:**

- Listing Agreements executed with the stock exchange (BSE)
- Private Placement documents filed with SEBI

**v. Depositories Act, 1996:**

- Confirmation of Corporate Action in respect of securities credited
- Intimation of ISIN allotted for securities allotted

**b) Documents to be preserved for not less than 8 years:**

**i. Companies Act, 2013:**

- Books of accounts including vouchers and bills
- Bank Statements and Reconciliations
- Annual returns of the Company
- Investment Records
- Copy of newspaper advertisements or publications
- Compliance Reports received from any statutory authority
- All share certificates surrendered to the Company

**ii. Reserve Bank of India (RBI):**

- Other RBI Returns (FLA, Form 15, Form NBS-7, ALM, etc)

**iii. Secretarial Standards:**

- Office copies of Notices, Agenda, Notes on Agenda and other related
- Copy of newspaper advertisements or publications and Press Releases and matters, if any

**iv. Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015:**

- Quarterly, Half Yearly and Annual Reports filed with BSE.
- All event based disclosures
- Intimation of Board Meetings
- Annual Reports of the Company

**Mode of Maintenance**

The Company shall maintain these records either in physical or electronic mode. The applicable provisions of law, rules and regulations with regard to electronic maintenance of records shall be adhered to.

All the records shall be maintained as per the prescribed formats, if any, as amended from time-to-time under various rules and regulations.

**5. Review of Policy**

This Policy shall be subject to annual review. Any change / amendments in applicable statutes with regard to maintenance and preservation of documents and records shall be incorporated in this Policy without any review.

**6. Disposal and Destruction of Records**

After the expiry of the statutory retention period, the preserved documents may be destroyed. Destruction of documents as a normal administrative practice shall be followed for the records which are duplicate/unimportant/irrelevant.

This applies to both physical and electronic Documents. The Documents may be destroyed as follows:

- a. Recycle non-confidential paper records;
- b. Shred or otherwise render unreadable confidential paper records; or
- c. Delete or destroy electronically stored data.

**PART B**

**Sub: Policy on Records Retention, Archival and Destruction.**

**Preamble**

All records and documents in the office, whether current or non-current which are required to be taken required to be maintained should have essential storage, retrieval and disposal controls of such records and documents, Current as well as non-current records to be preserved carefully, so that they are available for any reference in future. Therefore, handling of documents / records assumes great significance

### **Purpose**

The purpose of the policy is to ensure that all the documents and records of the organization are adequately protected and preserved as per the regulatory requirements. This policy shall cover all the business records of the organization including written, printed and recorded matters. The policy also aims at creating a formal written guideline on day to day work flow about proper storage of records, its retrieval & withdrawal for reference, redeposit and ultimately its disposal.

### **Scope**

The scope of this policy is to implement standard procedures for document storage, retrieval and disposal of all important documents including documents to be preserved as per statutory/regulatory requirements as amended time to time, to be followed by Branches/offices. This guideline is applicable for all the documents kept including electronic mode/ scanned form.

### **Record Definition**

Records arise on account of transactions/functions performed by the organization and relate to the data and information arising, Records include Loan documents, Application form with customer KYC, customer bank documents, vouchers, ledgers, registers, forms, reports, returns/statements, office notes, etc. The record may be paper based or in electronic form. The provisions of the policy shall apply irrespective of the media in which records are maintained.

### **Record Keeping**

Being in the front line of business activities and customer interface, branches need to ensure an efficient system of record maintenance leading to a better working environment. Records are generally created during the course of business transactions as evidentiary material.

Branches should maintain a register (Soft Copy) of records to have control over the storage and movement of the various records. Record Maintenance System should help in exercising effective management of records with respect to-

1. Systematically maintaining ready reference of internal customer, external customer and Transactional documents and records.
2. Preserve documents and records with due care so as to prevent from loss, damage or mutilation.

Along with customer documents, all other branch related documents such as Vouchers, Petty cash bills, Utility Bills, Cash Deposit Receipts, Internal communication (unless instructed to Display) should not be kept in open area but should always be maintained in Lock and Key.

All customers' records, irrespective of loan being disbursed or not which are obtained from customers for loan processing should not be kept in open area.

As per the terms of the Prevention of Money Laundering amendment act 2012, the Organization shall maintain all the documents and records for a period of 5 year. As per the PMLA act customer documents should be stored for a period of 5 years from the date of closure of the account. This is applicable for the OD/PAR customers as well whose accounts are still active post maturity date.

**Records/Documents destruction**

The time for calculating the applicable retention will be at the end of the calendar year in which the document has emanated. for e.g., a contract executed in June 2016 that is subject to 5 year retention period shall be eligible for destruction after December 2016. In case of loan related documents, files. The applicable retention period shall commence from date on which the loan is repaid in full settlement.

Branches shall record the details of the records in an excel before destruction for any future reference.

Records shall not be destroyed if the account is operational or the account is subject to ongoing judicial proceedings.

In exceptional cases like court case, litigation and depending on the subjective of the issue the shredding of the documents can be extended as per directions from Head Office.

**Policy effective date**

All the Branches are instructed strictly to adhere to the policy and the Policy is effective from May 22, 2021.

\*\*\*\*\*