



Record Retention and Maintenance Policy

**Corporate office Address:
Ujjivan Small Finance Bank Ltd.
Grape Garden, No. 27, 3rd A Cross, 18th Main
Koramangala 6th Block, Bengaluru 560 095**

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Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

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Board Committee	NA
Management Committee	Risk Management Committee

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Mr. Samit Ghosh
 Chief Executive Officer and Managing Director
 Ujjivan Small Finance Bank Ltd

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

Contents

No.	Particulars	Page No.
1.	Introduction	4
2.	Record Retention Timelines	4
3.	Record Management & Retention	6
4.	Record Location	7
5.	Record Retrieval	9
6.	Destruction of Records	11
7.	Suspension of Record Disposal (Litigation/Fraud/Claims)	12
Annex I	Record Retention Schedule	13
Annex II	Process for Handover of Records Internally	18
Annex III	Process for Handover of Records to Vendor	19
Annex IV	Sample Certificate of Destruction	20
Annex V	References	21

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

1. INTRODUCTION

Record retention and maintenance is concerned with the selection, classification, storage, retrieval and timely destruction of information. This requires a structured approach in order to comply with the applicable laws and regulations and to meet business needs.

The Record Retention Policy of Ujjivan Small Finance Bank (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.

Proper retention practices shall enable compliance with regulatory and statutory requirement and contribute to more efficient business processes.

The Bank shall review this policy on a yearly basis to keep it compliant with updated regulations and Head of Risk & Compliance department will be the custodian of the policy.

The purpose of this policy is to ensure that all necessary records and documents of the Bank are adequately protected and maintained and to ensure that the records that are no longer required or are of no value are discarded at the proper time.

1.1. Applicability

This policy applies to all physical and electronic records generated in the course of the Bank’s operations, including both original documents and reproductions.

2. RECORD RETENTION & TIMELINE

The Bank is required to record and retain records as per the following acts and for the below period:

SI. No.	Applicable Act/Law	Timelines for Record Retention (As per the relevant Act)
1.	Banking Regulations Act, 1949	8 years
2.	Banking Companies (Period of Preservation of Records) Rules 1985	8 years
3.	Companies Act, 2013	8 years except for (General Meeting Minutes, Board and Committee Meeting Minutes, Statutory

		Registers, MOA and AOA)** These documents have to be maintained permanently
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Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

4.	Income Tax Act, 1961	10 years
5.	Indian Evidence Act, 1872	8 years
6.	Bankers' Book Evidence Act, 1891	8 years
7.	RBI Act, 1934	8 years
8.	Prevention of Money Laundering Act, 2002 (in reference to amendment to Section 12 of Prevention of Money Laundering Act, 2002 through Prevention of Money Laundering (Amendment) Act, 2012)	5 years
9.	General records as per RBI	8 years
10.	SEBI regulations	8 years except for (General Meeting Minutes, Board and Committee Meeting Minutes, Statutory Registers, MOA and AOA)* * These documents have to be maintained permanently

2.1. The Bank has defined record retention periods for all categories of records. These periods are based on analysis of the cost of retention compared with the benefit derived from the availability of data. However, the following overriding matters has been taken into account while setting retention periods:

- Compliance with statutory and regulatory requirements
- Satisfaction of the needs of RBI inspectors to have access to certain records
- Satisfaction of the needs of internal and external auditors to have access to certain records
- Feasibility and cost benefit analysis of microfilming of records to be maintained on permanent basis.

2.2. Specific requirements as per **Prevention of Money Laundering Amendment Act, 2002**, the Bank should maintain for at least five years the following:

- Transaction between the Bank and the client, all necessary records of transactions, so as to provide, evidence for prosecution of persons involved in criminal activity.
- 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.
- All complex, unusual large transactions and all unusual patterns of transactions including STR, which have no apparent economic or visible lawful purpose. Such records and related documents should be made available to help auditors to scrutinize the transactions and also to Reserve Bank/other relevant authorities.
- Adherence to obligations under Rule 3 of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 – amended from time to time.

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

3. RECORD MANAGEMENT AND RETENTION

All records can be classified in to below three categories from the record management and retrieval purpose.

1. CAT A1 Documents: Major Licenses and Agreements and other Records

- Original Licenses / Approvals
- Original Quarterly results
- Original Financials
- MOA/ AOA
- Auditor's certificates etc.

2. CAT A2 Documents: Other Agreements and Records

- Original Agreements / SLA's
- Lease Deeds
- Destruction Certificate
- Master Insurance Policies etc.

3. CAT B Documents: All customer related Records

- Secured loan file/papers- To be stored by vendor in FRFC
- Account Opening Forms
- Applications

- KYC documents
- Customer requests
- Cash ,Clearing ,Transfer Vouchers
- Clearing Cheques
- Transaction slips etc.

4. CAT C Documents: Records of Individual Departments

- Files, Manuals, Product Document
- Operational Memos ,Internal Approvals
- Letters
- Vouchers etc.

Detailed list of records with category and retention period is covered in annex 1

3.1. The department heads can make additions /modifications to the record retention schedule (Annexure 1) from time to time in consultation with Head- Compliance to ensure that it is in compliance with the applicable regulatory guidelines and reflects the business needs of the organisation.

Ujjivan Small Finance Bank **Record Retention and Maintenance Policy**

3.2. Any change or modification in process / procedure followed in respect of the record maintenance& document flow from the department shall be recommended by respective functional head in writing to the Coordination Committee (CC) /RMC-NLT for its approval.

3.3. Similarly approval from Coordination Committee (CC) /RMC-NLT has to be obtained by respective functional head before changing the mode of record preservation i.e. physical or electronic mode.

- Any complaints / suggestions received from employees and other stakeholders relating to record maintenance shall be resolved by Individual department heads
- All other issues related with customer, regarding record maintenance must be resolved through grievance redressal mechanism by Head-SQ in consultation with Head- Operations.
- Any matter which remains unresolved shall be referred to the CEO &Managing Director for a final decision.

3.4. Roles and responsibilities

- The individual departments shall be responsible for record keeping and retention of all documents and records like files, letters, registers, slips, office memos, manuals, product notes, internal approvals, vouchers etc. relating to their respective department.
- Each department head should have a SPOC identified for the purpose of record tagging and handing over all Category A records to operations or Category C record to record storing vendor. The SPOC should maintain a tracker for movement of all records.
- Operations department located centrally and at regions, shall have custody of all original documents specified under **Category A and B** as per attached annexure.

- All the documents including licenses/agreements/forms shall be kept safely in a fully catalogued (chronological and serial) manner.
- All central agreements/ documents after legal vetting and execution should move from respective individual department to operations department for safe-keeping in FRFC and administration department will be joint custodians for the FRFCs.
- All records handed over by individual department SPOC should be provided with a reference number for easy retrieval.
- A standard excel as per Annexure 2 needs to be maintained by individual department SPOC, containing the details of documents held with them or provided to operations team.

4. RECORD LOCATION

4.1. Certain records specified under Category A as per annexure I must be stored at RO/HO location in FRFC- Fire Resistance Filing Cabinet.

4.2. All records which are mentioned as Digital in the annexure must be uploaded to the DMS. The records which are mentioned as Physical/ Digital should also be uploaded to DMS apart from keeping a physical copy of the same. The individual SPOC from the department must ensure that records are timely uploaded to DMS for safe keeping with proper naming convention for easy retrieval.

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

4.3. Storage of records internally

All regional offices and corporate office should have a dedicated record keeping room. There will be limited access to the record room only to certain SPOC's identified from the department or as directed by the respective functional head. The individual department SPOC who is accessing the record room for document keeping and retrieval must ensure the following:

- The document should not be kept with the individual at his workstation once the purpose is over.
- All documents must be stored in the record room in a fully catalogued manner without fail. This will not only help in easy retrieval but will also allow easy handover/ takeover.
- The individual record keeper for the department shall ensure that document cabinets should always be locked.
- The records should never be carried outside the premises without approvals from regional /national heads.
- In case of electronic records, IT must ensure that all electronic records are stored in electronic tapes and the same is stored in two different geographic locations. The location must ensure constant, consistent and reliable temperature and humidity control to the room.
- There should be an identified list of personnel from IT department who are authorized to retrieve and remove electronic media. The off-site storage of business data can be a life-saver during the disaster. The same should be stored and retrieved as per IT security policy laid down in this regard.
- There will be a provision of FRFC inside the record room which will be in joint custody of operations and Administration department where all CAT A records shall be stored.
- Special care should be taken in case of handling of HR files, to ensure data privacy and confidentiality.

4.4. Storage of records with an external agency

Where ever the storage of records is outsourced to an external agency, the respective functional head shall ensure that the record movement is per the procedures laid down in this regard in Annexure III. The physical records shall be stored in a systematic manner with respective departments in the order of the starting date to last date of transaction and labeled accordingly to facilitate identification at the time of shifting to storage vendor place or destruction. Department SPOC should maintain the list of all records handed over to the vendor. Audit department should conduct a sample verification during department /regional audits.

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

5. RECORD RETRIEVAL

CAT –A1 Records:

- Original Licenses/Approvals / Auditor's certificate/ Quarterly results etc.
- The documents cannot be retrieved unless specifically required for audit purpose by the regulator or for presentation to the court or any other govt. authority.
- The document can only be retrieved on request from CEO/COO/CFO/CRO/ Head- Compliance/ Head- Legal/ Head- Operations. Also, the document can only be retrieved physically by the concerned head as mentioned.
- It will be responsibility of the requester to deposit it back to operations for safe-keeping immediately after the purpose.
- Document Register- Swipe in and out entry is to be made with the sign off by the holder and person releasing the document.

CAT –A2 Records:

- Agreements/SLA's/Destruction Certificate etc.
- To retrieve these documents for any purpose based on request from respective functional head or Head-Compliance for audit purpose.
- The requester can retain the documents can only for 10 days. It will be responsibility of the requester to deposit it back to operations once the purpose is over. It can be further extended based on necessary approval from functional head.
- Document Register- Swipe in and out entry is to be made with the sign off by the holder and person releasing the document.

CAT- B Records:

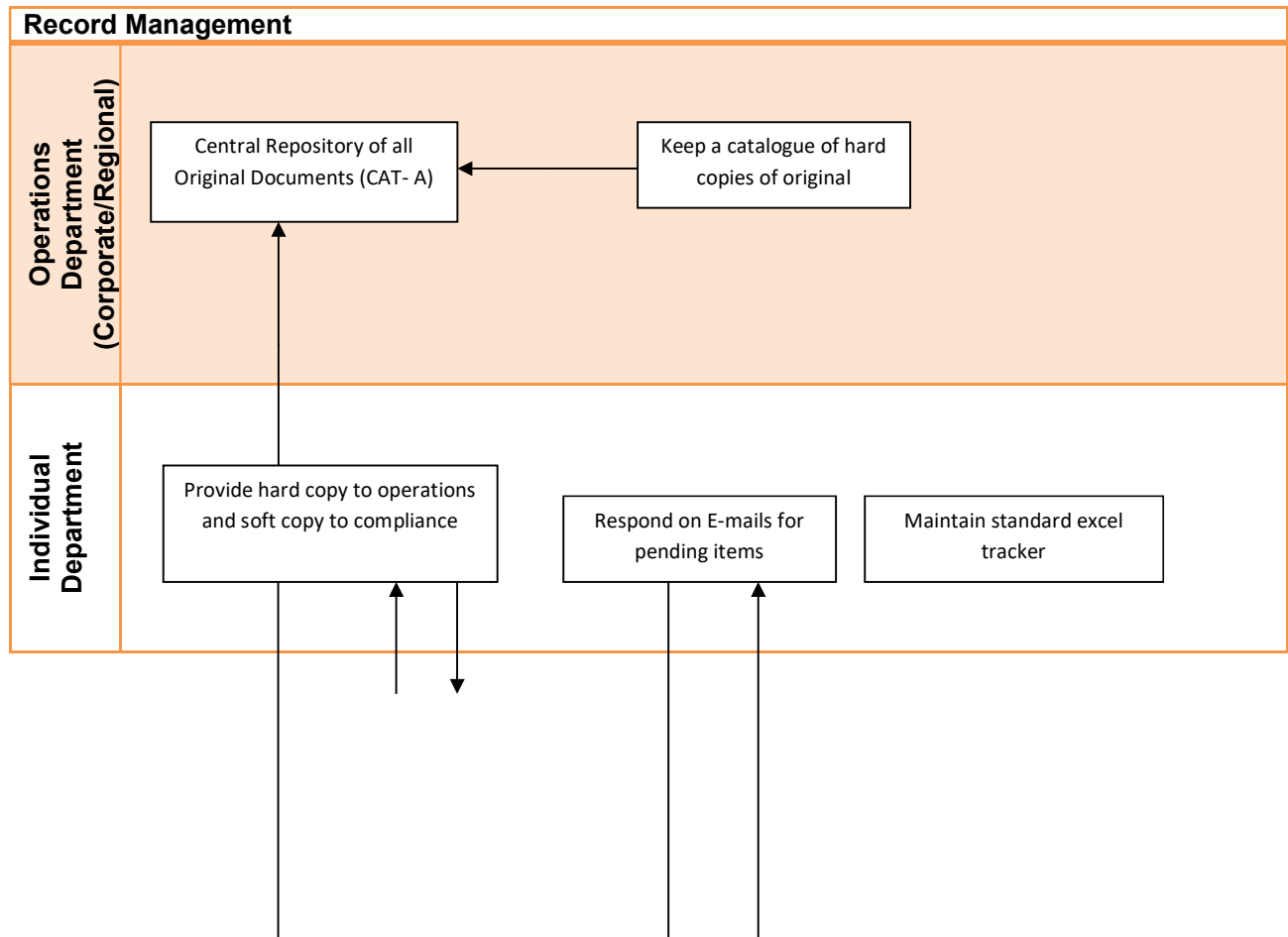
- Documents to be arranged in order of date of creation.
- Custodians from bank need to handover it to outsourcing vendor.
- Retrieval of all these documents shall be made on the request from the Branch Heads/ Operations Managers.
- Electronic /Digital Data to be handled by IT department and any retrieval needs approval from functional head except for usual MIS.

CAT- C Records:

- Documents to be arranged in order of date of creation.
- SPOC from the department to handover it to outsourcing vendor.
- Retrieval of all these documents shall be made with request from Department Head/ Department SPOC.
- Electronic /Digital Data to be handled by IT department and any retrieval needs approval from functional head except for usual MIS.

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

Work flow Chart CAT –A documents



Legal Team	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> Vetting of all documents on legal issues </div>
Compliance Team	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; width: 200px; text-align: center;"> Central Repository of soft copies of all Documents </div> <div style="border: 1px solid black; padding: 5px; width: 200px; text-align: center;"> Send E-mail for pending items to individual dept. </div> </div>

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

6. DESTRUCTION OF RECORDS

6.1. Individual department must ensure that records must not be destroyed before the prescribed retention period. Destruction should happen within a reasonable period of time (not later than 6 months) after expiry of the retention period.

6.2. The time for calculating the applicable retention period shall begin at the end of the calendar year in which the document has emanated. For e.g., a contract executed in June 2014 is subjected to a five year retention period shall be eligible for destruction after Dec 2019.

6.3. In the case of loan related documents and files, 10 years shall commence from the date on which the loan is repaid in full settlement (to be read with the above para).

6.4. The physical records are to be disposed of by respective department in following way:

- Shredding or otherwise making unreadable confidential records in accordance with applicable laws

6.5 The electronic records are to be disposed of in the following ways:

- All electronic records must be disposed of in a responsible and compliant fashion by the IT department with prior approval from CTO in consultation with CISO.

- Bank may use the expertise and experience of a professional records management service as a simpler and more cost-effective means of secure electronic data disposition.
- Records that have been disposed of through overwriting, sanitization or destruction must get a written disposition certificate as proof that disposal has taken place. This certificate asserts that the records have been destroyed or disposed of, and the activity has been verified to ensure all identified electronic data has been removed.

6.6 The Bank will have appropriate controls over the destruction of records upon the expiry of the period set out in the policy statement as below.

- Authorization and approval prior to destruction and procedures as above for destruction of electronic media like tapes, other external media.
- All records shall be destroyed only with the prior permission of the competent authority which is respective functional head.
- If the destruction takes place at the vendor place, then the vendor shall undertake the activity as per the list submitted by and instructions given by the individual department.
- The persons in whose presence the records are destroyed should provide a certificate of destruction, which shall be filed permanently at RO/HO with Operations along with the register/ file furnishing the details of records destroyed.

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

7. SUSPENSION OF RECORD DISPOSAL IN THE EVENT OF LITIGATION, FRAUD OR CLAIMS

7.1. In the event of commencement of any litigation against or concerning the Bank or when litigation can be anticipated or fraud investigation has commenced, all documents relating to the customer/staff or transaction should be immediately removed from storage and kept in the exclusive custody and supervision of the functional head handling the legal or fraud proceedings. Any further disposal of documents shall be suspended until such time the advice of the legal department/ counsel, determines otherwise. This suspension shall apply to all records pertinent to a case or anything likely to lead to the discovery of admissible evidence.

7.2. Above functional head shall take such steps as is necessary to promptly inform all staff of any suspension in the future disposal of documents.

ANNEXURE I- RECORD RETENTION SCHEDULE

General record retention schedule

Sl. No.	Record Description	Mode of storage	Category as per criticality	No of Years	In house or Outsourced
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Sl. No.	Record Description	Mode of storage	Category as per criticality	No of Years	In house or Outsourced
1	Customer Profile Forms ,AOF + KYC docs	Physical / digital	B	10	All the documents are shifted to storage vendor after initial processing. Original and back up data (in electronic form) in tapes or drives.
2	Loan Application	Physical / digital	B	10	All the documents are shifted to storage vendor after initial processing. Original and back up data (in electronic form) in tapes or drives.
3	Sanction letter	Physical	B	10	All the documents are shifted to storage vendor after initial processing
4	Promissory note + Vouchers	Physical	B	10	All the documents are shifted to storage vendor after initial processing.
5	Customer CBS account transaction details	Digital	B	10	Original and back up data in tapes or drives at two different geographical locations
6	KYC docs other than loans	Physical /Electronic	B	10	All the documents are shifted to storage vendor after initial processing. Original and back up data (in electronic form) in tapes or drives at two different geographical locations.
7	Application booklet and executed documents in respect of other than loans	Electronic	C	10	Original and back up data (in electronic form)in tapes or drives at two different geographical locations
8	CBS account	Digital	C	10	Original and back up data in tapes or drives at two different geographical locations
9	Vouchers –Cash ,Clearing ,Transfer, Internal	Physical	B	10	All the documents are shifted to storage vendor after initial processing.
10	Various Branch Registers –Cash, Key Movement, Stationary, Cheque Return ,ATM related, Card Related, Hand delivery book, Dispatch Register ,	Physical	B	10	All the documents are shifted to storage vendor after initial processing.
11	Treasury related documents-Dealers Pad, Position register,	Physical/Digital	B	5	All the documents are shifted to storage vendor after initial processing.

Sl. No.	Record Description	Mode of storage	Category as per criticality	No of Years	In house or Outsourced
	Deal Tickets, Deal Confirmations ,Reconciliation Records				
12	All Returns	Physical/Digital	C	10	All the documents are shifted to storage vendor after initial processing. Original and back up data (in electronic form)in tapes or drives at two different geographical locations
13	Audit /Test reports	Physical/Digital	C	10	All the documents are shifted to storage vendor after initial processing. Original and back up data (in electronic form)in tapes or drives at two different geographical locations
14	All MIS reports	Physical/Digital	C	10	All the documents are shifted to storage vendor after initial processing. Original and back up data (in electronic form)in tapes or drives at two different geographical locations

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

Retention schedule for business records including bookkeeping records, legal and regulatory records etc.

Sl. No.	Record Description	Mode of storage	Category as per criticality	No of Years	In house or Outsourced
1	General Ledger	Digital	C	Permanent	In house
2	Files related to investigations, frauds, claims, thefts, confidential files etc	Physical	C	Permanent	In house
3	All data leading to recording of entries in books of accounts	Electronic	C	Permanent	In house
4	Annual Reports, Audit Reports and Financial Statement	Physical	C	Permanent	In house
5	All agreements with investors, Third parties, franchisee agreement, Long term Vendor contract etc	Physical	A	Permanent	In house
6	Company records like Minute books, Board notes, Board resolutions, AGM/ EGM Notices,	Physical	C	Permanent	In house

	Resolutions, Corporate seals, articles of incorporation etc.				
7	Licenses	Form in which awarded	A	Permanent	In house
8	Court order	Physical	C	Permanent	In house
9	Tax records	Physical	C	Permanent	In house
10	Rejected and cancelled loan files/docs	Physical	B	One month after rejection to be done on half yearly basis as per guidelines	In house/vendor
11	Files/other registers/general correspondence/branch audit reports/approvals	Physical and electronic	C	Five years after the completion of audit	In house/vendor

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

Employee record retention schedule

Sl. No.	Record Description	Category	Category as per criticality	Mode of storage	No of Years
1	Creation and classification of positions	Creating, upgrading and redesigning positions	C	Physical/ Digital	10
2	Recruitment/ Rejections	Recruitment/ Rejections of Indians, non-Indians and honorary workers through open market, advertisement etc.	C	Physical/ Digital	10
3	Leaves	Rules/ Policies for leaves	C	Digital	Permanent

4	Leaves	Leave Roster	C	Physical/ Digital	To be destroyed by end of the year
5	No Objection Certificate	Issuance	C	Physical/ Digital	1
6	Personnel file- <ul style="list-style-type: none"> • Joining Kit • Employee performance appraisals • Internal complaints, disciplinary actions etc. • Confirmation letter • Transfer letter • Promotion letter • Bonus letter • ESOP's issued • Termination letter etc. 	Periodic reviews Employee issue resolution	C	Physical/ Digital	Permanent
7	Bank wide- Disciplinary Action taken	Employee issue resolution	C	Physical/ Digital	Permanent
8	Bank wide- Details of attrition	Employee retention	C	Physical/ Digital	10 years
9	Income tax proofs	Tax Purpose	C	Digital	10 years

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

Third party product and transaction record retention schedule

Sl. No.	Record Description	Mode of storage	Category as per criticality	No of Years	In house or Outsourced
1	Third party product customer applications	Digital / Physical	B	10	In house / vendor place
2	Customer CBS account Transaction details (if available)	Digital	C	10	Original and back up data in tapes or drives at two different Geographical Locations
3	Vouchers ledger extracts, journal entries relating to all financial transactions	Physical	C	10	In house till Income tax assessment is completed and for the balance period with an outsourced agency

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

Annexure II- Process for Record Handover internally

- Individual department shall have designated official (SPOC) to handle the records.
- Documents to be handed over to the operations in a catalogued manner.
- SPOCs to maintain standard excel tracker of all documents/ records for easy retrieval.
- Soft copies of all CAT A documents to be provided to corporate compliance team.
- All records must be tagged with a serial number/ reference number.

Indicative excel to be maintained

Document Name	Ref. no./ Sl. no.	Expiry Date (if any)	Handover Date	Handed Over To

Name, Emp No and Signature of handing over official: _____

Name, Emp No and Signature of receiving official: _____

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

Annexure III- Process for Record Handover to Vendor

- Operations department is the point of contact for all other department for availability of vendor at Ujjivan office.
- Individual SPOC from the department needs to take the custody of the document before handing over to the vendor.
- The document should be handed over to the vendor in a fully catalogued manner.
- The individual department needs to maintain a standard excel tracker for easy retrieval.
- The excel should contain the internal reference number/ serial number as well as Bar Code number provided by the vendor for each and every document.
- The documents can be retrieved by the individual department based on the requirement by mentioning the Bar Code number issued by the vendor.

Indicative excel to be maintained

Document Name	Ref. no./ Sl. no.	Expiry Date (if any)	Handover Date	Handed Over To	Handover Month	Vendor Bar Code

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

Annexure IV- Certificate of Destruction

I/ We _____ & _____, do here by certify that the below listed document/ software/ equipment has been destroyed in my/our presence and the document/ software/ equipment was not useful in any meaningful way as part of Ujjivan Small Finance Bank annual exercise of destruction of old records which are no longer meaningful for retention.

I/ We also declare that we have taken the prior approval from _____ (Name & Title) before destroying the records

Sl. No.	Document/ Software/ Equipment Name	Ref. no./ Serial no.

Name, Emp No and Sign of official 1: _____

Name, Emp No and Sign of official 2: _____

(If record is destroyed at vendor's place)

Vendor Name: _____

Vendor Signature: _____

Date: _____

Ujjivan Small Finance Bank
Record Retention and Maintenance Policy

Annexure V– RBI Circulars referenced for this policy

Sr. No.	Circular Reference Number	Description
1	RBI Master Circular RBI/2015-16/108 DNBR (PD) CC No. 051/03.10.119/2015-16 dated July 1, 2015	Know Your Customer (KYC) norms / Anti-Money Laundering (AML) standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002
2	RBI circular no. RBI/214-15/131 DBOD.AML.BC.No. 26/14.01.001/2014-15, dated 17 July 2014	Know Your Customer (KYC) Norms /Anti-Money Laundering (AML) Standards/ Combating of Financing of Terrorism (CFT)/Obligation of banks under Prevention of Money Laundering Act (PMLA), 2002 Obligation of banks – Amendment to Prevention of Money-laundering (Maintenance of Records) Rules 2013.