

LOAN DOCUMENT RECORD RETENTION POLICY

1. Preamble:

For Aavas Financiers Limited ("**Aavas**"), it is essential to have a proper disposal control of Customer related Records/Documents, including in electronic/scanned form. The scope of this policy is to define standard procedures for disposal of Customer related Records/Documents to be preserved as various Applicable Laws and regulations. This Policy is for Disposal of Customer related Records/Documents in compliance with the applicable laws and regulations. The purpose of this process note is for the disposal of Customer related Records/Documents that are no longer required and already passed timelines for Record Retention (As per applicability).

2. Applicable Laws and Regulations:

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

S. No.	Applicable Laws and Regulations	Applicability on Customer related Record/Documents	Timelines for Record Retention (As per relevant Act)
1.	Companies Act, 2013	No	8 years
2.	Indian Evidence Act, 1872	Yes	8 years
3.	RBI Act, 1934	No	8 years
4.	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)	Yes	5 years (Earlier, 10 years under Prevention of Money Laundering (Amendment) Act, 2009)
5.	General records as per RBI	Yes	8 years
6.	Income Tax Act, 1961/Goods and Service Tax Act, 2017	Yes	10 years

2.2 The following overriding matters has been taken into account before disposing Customer related Records:

- Compliance with statutory and regulatory requirements
- Satisfaction of the needs of Regulatory Inspections, Auditors to have access to certain records
- Satisfaction of the needs of Legal Department to have access to certain records

3. Timelines for Record Retention

3.1 Based on above statutory requirements, timeline to retain customer's records by company, is as mentioned below:

Documents for Retention	Timelines for Physical Record Retention	Timelines for Digital Record Retention
Sanctioned and Disbursed Loan Files	10 years (from the date of full settlement of Loan)	10 years (from the date of full settlement of Loan)
Rejected Applications	90 days (from the date of Rejection of Loan Application)	5 years (from the date of Rejection of Loan Application)

4. List of Customer related Records / documents in the purview of the policy:

4.1 All Customer related Records for Loan file to retain, which may include but not limited to:

- Secured loan file/papers- To be stored by external vendor
- Applications Forms, Agreements, Undertakings, MITC, Affidavits, etc.
- Banking, Income and KYC documents
- Documents/Reports/Undertakings for approval of Loan (Legal, Technical, RCU Reports etc.)

4.2 Any change or modification in process/procedure followed in respect of this process document flow shall come from the Department shall be recommended by respective functional head in writing to the Managing Director and CEO/CFO/CRO for its approval.

5. Monitoring of timeline:

5.1 Operations Department has custody of Sanctioned and Disbursed Loan Files, Documents and Customer related Records. These files are sent to External Vendor. Operations Department to ensure that records are retained till prescribed period as per this policy.

6. Disposal of Records:

6.1 Physical Records: The physical records can be disposed-off by one of the following methods:

- Shredding
- Fire
- Water Dump

However, as a responsible Stakeholder, Aavas shall use most efficient and Eco-friendly mode for disposal of Physical Records under its Environmental Protection Goal i.e. through shredding and their eventual sell to paper/board mills or other agencies (including donation to Charitable Institute) for conversion into pulp.

6.3 The Physical records shall be disposed-off in the manner provided in Annexure-II of this policy.

6.4 Electronic Records: The electronic records are to be disposed of in the following ways:

- All electronic records must be disposed of in a responsible and in compliance by the IT department with prior approval from CTO in consultation with CISO and CRO.
- Records that are disposed 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 destructed or disposed-off, and the activity has been verified to ensure all identified electronic data has been removed.

6.5 Company may use the expertise and experience of a professional records management service for secure data / record disposition.

6.6 Company shall dispose the records as per details provided in Annexure-II of this policy.

7 Suspension of Record Disposal for cases under Litigation, Fraud, willful default or write offs

7.1 Disposal of cases under litigation, fraud or write offs shall be suspended until such time the case is closed and after confirmation from head of legal recovery department. 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 operations department of such suspension in the future disposal of documents.