



DOCUMENT RETENTION AND DESTRUCTION POLICY

Version	Date of Approval / Reviewal
V.1	21-08-2018
V.2	30-05-2019
V.3	22-09-2020

I. Purpose

This policy covers systematic review, retention, and disposal of documents received or created by **Sonata Finance Pvt. Ltd. (hereinafter referred to as Sonata)** in connection with the transaction of **Sonata** business. This policy covers all records and documents, regardless of its form – physical or digital, contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with RBI and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate **Sonata** operations by promoting efficiency and freeing up valuable storage space.

II. Document Retention

Sonata Finance to follow the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule, will be retained for the appropriate length of time.

III. Corporate Records

Type of Document	Minimum Requirement
Accident Reports and Workers Compensation	7 years
Accounts Payable Ledgers and Schedules	7 years
Annual Reports, Balance Sheet, Profit & Loss	Permanently
Articles of Incorporation	Permanently
Audit Reports	Permanently
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Bank's Loan Sanction advice & Related Loan Document	10 years
Board Meeting and Board Committee Minutes	Permanently
Board Policies/Resolutions	Permanently
By-laws	Permanently
Cash Receipts	3 years
Contracts & Agreements	7 years after expiration
Share Holders' Agreements or Share Subscription Agreements or any other agreements pertaining to issue or subscription of share capital of the company	Permanently
Client Records including loan application/loan document	10 years



Correspondence (general)	3 years
Correspondence (legal and important matters)	10 Years
Correspondence (with customers and vendors)	2 years
Depreciation Schedules	Permanently
Duplicate Deposit Slips	2 years
Earnings Records	7 years
Electronic Fund Transfer Documents	7 years
Employment Applications	7 years
Expense related documents	7 years
Filings with the Registrar	10 years
Financial Statements	Permanently
Fixed Asset Records	Permanently
General Ledgers	Permanently
Insurance Policies, Records, Current Accident Reports, Reports, Claims	Permanently
Internal audit reports	5 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Loan/ NCD/ Securitisation /Subordinated Debt related paper/ Documents	10 years after expiration
Lease/rent agreement of office premises	Permanent
Minute Books and Charter	Permanently
Mortgages	7 years after expiration
Notes	7 years after expiration
Patents and Related Papers	Permanently
Payroll Records and Summaries	7 years
Payroll Registers	Permanently
Payroll Tax Returns	7 years
Personnel Files (including terminated employees)	7 years
Petty Cash Vouchers/registers	3 years
Press Releases	Permanently
Postage register	8 years
Records Relating to Promotion, Demotion, or Discharge	7 years after termination
Retirement and Pension Plan Documents	Permanently
RBI inspection reports	Permanently
Salary/Bonus Records	5 years
State Tax Exemption Letter	Permanently
State Tax Returns and Worksheets	Permanently
Stationery register	10 years
Stock and Bond Records	Permanently
Trademark Registrations	Permanently
TA Bills	5 years
Withholding Tax Statements	7 years



IV. Details on key records

1. Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the **Sonata**'s minute book.
2. Contracts. Final, executed copies of all contracts entered into by the **Sonata** should be retained. Sonata should retain copies of the final contracts for at least seven years beyond the life of the agreement, and longer in the case of publicly filed contracts.
3. Legal Documents & Agreements. All the legal agreements and documents shall be permanently retained by the company. However, the periodicity of retention of legal correspondence/ Files can be decided by the legal counsel not being less than 10 Years.
4. Personnel Records. State laws require the Company to keep certain recruitment, employment and personnel information. **Sonata** should also keep personnel files that reflect performance reviews and any complaints brought against **Sonata** or individual employees under applicable state acts. **Sonata** should also keep all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel in the employee's personnel file. Personnel records should be retained for seven years.
5. Press Releases/Public Filings: Sonata should retain permanent copies of all press releases and publicly filed documents. This is for the purpose of checking the accuracy of the published/released content .
6. Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of deductions, business costs, accounting procedures, and other documents concerning **Sonata**'s revenues. Tax records should be retained permanently. Payroll tax returns can be retained for only seven years.

V. Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods will be tested on a regular basis.



VI. Emergency Planning

Sonata's records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to Sonata operating in an emergency will be duplicated or backed up at least every week and maintained off site.

VII. Document Destruction

Sonata's functional departments heads will monitor the retention period of the documents related to their respective departments. On expiry of the retention period the department heads will prepare a list of the documents which has crossed its retention periods and submit for approval of destruction to the Committee form for this purpose. The destruction committee comprising Chief financial officer, Chief Compliance officer, Chief Technology Officer and Management Advisors – Chief Financial Advisor, and Chief Risk Advisor will approve the destruction. The Head of the Department whose record is to be destroyed shall be an invitee to the destruction committee wherein the decision is to be taken. After approval from the committee the respective department heads will destroy the document following proper destruction process.

Document destruction process

Please follow following steps to destroy the documents

1. Make sure destruction committee has approved the destruction
2. Destruction of financial and personnel related documents should be accomplished by shredding and same will be converted into pulp.
3. Documents destruction will be suspended immediately upon an indication of any official investigation or when a lawsuit is filed or appears to be imminent. Destruction will be restarted upon conclusion of the investigation.

VIII. Compliance

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions the defaulting employees and possible disciplinary action against responsible individuals. The chief financial officer and finance committee chair will periodically review these procedures with legal counsel of the **Sonata** to ensure that they are in compliance with new or revised regulations.

Note: While formulating this policy following Acts/notifications/Guidelines were followed:

1. Limitation Act
2. CBDT Guidelines
3. Companies Act, 2013
4. Government notification on prevention on money laundering
5. Banking Practices for retention of financial records