

PURPLE FINANCE LIMITED

DOCUMENTS PRESERVATION & ARCHIVAL POLICY

1. PREFACE

The Board of Directors (the “Board”) of Purple Finance Limited (the “Company/PFL”) has adopted the Documents Preservation & Archival Policy (the “Policy”). This Policy has been formulated in accordance with Regulation 9 and 30(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, read with the circulars issued by the Securities and Exchange Board of India in this regard (the “Listing Regulations”).

2. PURPOSE OF THE POLICY

The purpose of this Policy is to ensure that the documents and records required to be prepared and disclosed to the stock exchanges be preserved for the period prescribed under the Listing Regulations.

3. TYPE OF DOCUMENTS AND TIME PERIOD FOR PRESERVATION

The company shall maintain and preserve documents as specified hereunder:

Category (A): The documents of permanent nature (listed in Annexure 1) shall be maintained and preserved permanently by the Company subject to the modifications, amendments, addition, deletion or any changes made therein from time to time.

Provided that all such modifications, amendments, addition or deletion in the documents shall also be preserved permanently by the Company.

Category (B): The documents of the Company to be maintained and preserved for specified time period after completion of the relevant transactions (listed in Annexure 2) shall be preserved by the Company for the term not less than eight years after completion of the relevant transactions subject to the modifications, amendments, addition, deletion or any changes made therein from time to time.

Provided that all such modifications, amendments, addition or deletion in the documents shall also be preserved for a term not less than eight years. For the purpose of this policy, documents may include: (i) books and papers; (ii) books of accounts; (iii) documents; (iv) register of company as defined in the Companies Act, 2013.

Further, the Company as it may deem fit and possible maintain above mentioned documents in electronic form to the extent possible from time to time.

4. AMENDMENT

Any change in the Policy shall be approved by the Board. The Board shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. In the event there is any inconsistency of the provisions of this Policy with the provisions of the Listing Regulations, the later shall prevail.

5. COMMUNICATION

A copy of this Policy duly approved shall be placed before the Board and circulated among all the directors and employees of the Company. This Policy, as amended from time to time, shall be made available on the website of the Company.

6. ARCHIVAL

- a. Information created in physical form shall be scanned and maintained in electronic form as well. The electronic communication shall be maintained on the Company server in year wise folders;
- b. Information which has been disclosed to stock exchange(s), such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter in accordance with this Policy, as the Board may decide. The Company shall also preserve information as per Annexure 3.

c. Place of preservation of physical Documents:-

The Documents will be preserved at the head office of the Company. Considering the space constraints, the management may decide to keep documents with third party vendor for safe custody of documents.

d. Individuals having access and retrieve information:-

The respective Head of Department of which the documents or information is related or any person authorized by the concern Head of Department will have right to access and retrieve information.

e. The Management will verify the archive policy periodically.

7. RECORD MANAGEMENT

The success of any finance company depends largely on their ability to recover the dues from the customers to whom the money is lent. In case the company decides to take legal action against defaulting customer, legal documents signed by the customer are an important document in a court of law. Another important thing is the PDC's and NACH instrument given by the customers which have to be presented month on month for recovering the dues from the customer. For Mortgage Loan, custody of the property paper with the lender is essential till the loan is closed in the books of account. Further, as required by regulator appraisal and KYC documents is required to be stored for 7-10 year even after loan is closed and hence Record Management is the most important area of Operations.

Organisation has taken services from reputed external service providers for storing file and property documents. Every Branch Operation Manager shall ensure to send all documents within 7 days of disbursement to Central Operations team. There may be some exception during month end time. Branch Operation Manager shall ensure that till the time documents are in his custody shall be kept in FRFP and FRFP shall be immediately locked after operation.

The activities involved in Record Management are:

- File Storage and Management
- ECS Mandate Form storage up to registration.
- PDC/Security Cheque Storage and Management
- Property Paper Storage and Management
- Disbursement Cheque Inventory Management

| Sr. No. | PROCESS PARTICULARS | LOCATION | PROCESS RESPONSIBILITY |
|---------|--|----------|-------------------------------|
| 1 | <ul style="list-style-type: none"> • All files and documents submitted to Central Operations and till the time it is not handed over to storage vendor, it will be kept in as below. <ul style="list-style-type: none"> ○ KYC and Credit Appraisal Documents – Specifically allocated Cupboard and under lock and key. ○ Property Documents, CERSAI Charge creation document, Legal and Technical Report – Branch FRFP Vault ○ PDC, NACH Instruments – Branch FRFP vault. ○ Physical NACH shall be sent to NACH vendor as and when requested by the vendor. • For quickly tracking documents and property papers, it will be stored in LOTs consisting of 5-10 customers. • BOM will keep record of all files and documents stored in the branch along with its locations like Cabinete 1, Drawer 3, Lot 1 etc for quick retrievals. • BOM to maintain following trackers: <ul style="list-style-type: none"> ○ File and Document storage tracker. ○ Retrieval Tracker ○ Repayment Instrument Tracker. (PDC, SPDC) ○ NACH Registration data <p>Note: Tracker to be discontinued once system capabilities were built in to capture documents details in system.</p> | HO | Central Operation Team (COPS) |
| 2 | <p>Fresh Disbursal Files:</p> <ul style="list-style-type: none"> • Within 15 days of completion of Audit by Hindsigting unit, files and documents to be sent to Storage vendor. • COPS to send request to storage vendor for pickup of file and documents. • On mutually convenient day, Storage vendor shall visit branch. Storage vendor shall allocate Bar Code to each file, property docket and Box Bar code in which it is be kept. • BOM to handover file and documents and obtain acknowledgement on job sheet / delivery challan from authorised employee of the storage vendor. | HO | COPS |

| Sr. No. | PROCESS PARTICULARS | LOCATION | PROCESS RESPONSIBILITY |
|----------------|--|-----------------|-------------------------------|
| | <ul style="list-style-type: none"> ○ BOM / BSM to obtain recipients acknowledgement on 2nd copy of the LOD. ○ Acknowledgement copy to be sent to COPS team for records. | | |

Annexure 1:

Documents whose preservation shall be permanent in nature:

| Item No. | Records/ Documents |
|-----------------|--|
| 1. | Certificate of incorporation |
| 2. | Certificate for commencement of business |
| 3. | Memorandum and Articles of Association |
| 4. | Agreements made by the Company with stock exchanges, depositories, etc. |
| 5. | Minute books of general meetings, board and committee meetings as per Companies Act, 2013 |
| 6. | Register and index of members, debenture-holders, if any or other security holders, if any |
| 7. | Register of contracts as per Companies Act, 2013 |
| 8. | Register of charges as per Companies Act, 2013 |
| 9. | Register of inter corporate loans and investments as per the Companies Act, 2013 |
| 10. | Register of directors and key managerial personnel and its shareholding |
| 11. | Register of disposal of records |
| 12. | Register of documents executed under common seal of the Company |
| 13. | Registers of investments in securities not held in the name of the Company |
| 14. | Register of transfer/ transmission of shares and issued of duplicate share certificates |
| 15. | Such other records as may be required under any law from time to time |

Annexure 2:

Documents with preservation period of not less than eight years after completion of the relevant transactions:

| Item No. | Records/ Documents |
|-----------------|--|
| 1. | Instrument creating charge or modification (from the date of satisfaction of charge) as per Companies Act, 2013 |
| 2. | Annual returns as per Companies Act, 2013 |
| 3. | Register of deposits as per Companies Act, 2013 |
| 4. | Register of allotment (from the date of each allotment) as per Companies Act, 2013 |
| 5. | Annual financial statements including annual accounts, directors report, - auditors report |
| 6. | Vouchers / voucher register and books of accounts as defined under subsection 13 of section 2 of the Companies Act, 2013 |
| 7. | Income tax returns filed under Income Tax Act, 1961 |
| 8. | All notices in form MBP – 1 received from Directors and KMPs alongwith any amendment thereto |
| 9. | Return of declaration in respect of beneficial interest in any share as per Companies Act, 2013 |
| 10. | Copy of newspaper advertisement or publications |
| 11. | Records relating to court cases / cbi cases / police cases/ civil suits/labour court cases/ arbitration cases. |
| 12. | Compliance reports received from any statutory authority |
| 13. | Correspondences made with any statutory authority |
| 14. | Register of power of attorneys, if any |
| 15. | Forms and returns filed with RBI/MCA or with any other statutory authority |

Annexure 3:

Other Documents to be preserved:

| <u>Sr no</u> | <u>Requirements</u> | <u>Record Type</u> | <u>Period</u> |
|---------------------|--|---|----------------------|
| 1. | Section 128 (5) of the Companies Act, 2013 | Books of accounts | Minimum 8 Years |
| | | All sales and purchases of goods/services by the company | |
| | | All sums of money received and expended by the company and the matters in respect of which these have taken place. | |
| | | The assets and liabilities of the company | |
| | | The books of accounts together with the vouchers, invoices and other connected documents or records shall be preserved in good order: Provided that where an investigation has been ordered in respect of the company under Chapter XIV, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit. | |
| | | Employee's salary, bonus and other remuneration | |

| | | | |
|----|--|---|-----------------|
| 2. | The Information Technology Act 2000 | Audit trails and verification (7) computer records of applications transactions and significant events must be retained for a minimum period of two years or longer depending on specific record retention requirements. | Minimum 2 years |
| 3. | Information Security Management System (ISMS) | Information Security Audit Reports | 5 years |
| 4. | Legal proceedings under various Acts, as per Indian Laws, including, but not limited to consumer protection Act, 1986, Arbitration and Conciliation Act, 1996, Civil Procedure Code 1908, etc. | 20. Preservation of records (1) In the case of complaint, the record containing main files with original order sheet shall be preserved for a period five years. (2) In the case of records of first appeal and revision petitions, it shall be preserved for three years from the date of disposal of the appeal or revision as the case may be. | 5 years |
| 5. | Information disclosed to Stock Exchanges | The information disclosed to stock exchanges shall be preserved for 8 Years | 8 Years |
| 6. | Under Reserve Bank of India Guidelines | Borrowers Loan Account Details including transaction details | 10 years |
| | | KYC details of Borrowers | 10 years |
| | | Vendor Agreements | |