

	<h2>SOP on Document Retention</h2>	Commercial SOP #	7
		Version	1.0
		Issued on	01-Sep-16
		Effective from	01-Sep-16

### 1. Objective

The objective of this policy is to provide guidelines for the retention of documents & records, its long-term storage & destruction in accordance with the provisions of Companies Act and other legal, tax, auditing, operational and historical requirements of the Company.

### 2. Responsibility for documents

Responsibility for ownership and maintenance of documents rests with the department having decision-making authority over the documents (i.e. custodian department), regardless of the storage location of the documents or the systems used to retain the documents.

However, no official copies of Company documents should be kept at any employee's home.

### 3. Documents retention period as per various laws/regulations

Records must be retained long enough to meet legal, tax, auditing, operational and historical requirements. There is no central act/regulation in India which lays down the standard retention period for the documents. Guidelines for retention periods as per various laws applicable to the Company are mentioned in the table below:

Particulars	Time limit for retention of documents
Companies Act, 2013	8 years from the end of F.Y.
Income Tax Act, 1961	6 years from the end of A.Y. (Other than <b>international</b> transfer pricing documents)
Income Tax Act, 1961	<b>International</b> transfer pricing documents and information specified under Rule 10 D must be maintained for a period of 8 years from the end of the relevant assessment year
Service Tax (Finance Act, 1994)	5 years from the end of F.Y.
M-VAT/CST	5 years from the end of F.Y.
Right to Information Act, 2005	As per Sec 8(3), documents pertaining to last 20 years can be asked for inspection

### 4. Documents retention period as per the Company policy

As per the Company policy, all the documents are to be maintained for a **minimum period of 8 years** from the end of financial year, except for documents as mentioned below:

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Type of document	Time limit for retention of documents
Annual financial statements and audit reports	Permanent
Tax challans & returns	Permanent
Internal audit reports	Permanent
Memorandum and articles of association	Permanent
Contracts and leases (still in effect)	Permanent
Contracts and leases (expired)	5 years from the expiry
Employee personal files	5 years from the year of resignation
Documents pertinent to any ongoing or anticipated inquiry, investigation, dispute or litigation*	Till the time the inquiry, investigation, dispute or litigation is resolved**

\* Check with legal, tax or the human resources department for any current or foreseen litigation, if employees have not been notified.

\*\*After the dispute/litigation is resolved, the concerned HOD can take a call to destroy the document as per the method specified in the policy.

*Many internal records (prepared for internal usage) are considered discretionary and have no retention requirement and it would be impractical to attempt to list every type of record in the Annexure. These records should be kept long enough to accomplish the purpose for which they were created.*

## 5. Transfer of documents to DD

In case of space constraint, documents older than 3 years can be transferred to DD for storage. Respective custodian department shall maintain details of documents transferred to DD. Irrespective of the storage location, responsibility for maintenance of documents will lie with the respective custodian department.

## 6. Destruction of documents

Records are to be destroyed after expiration of the document retention period as specified in the policy, unless it is determined that the retention period must be extended to adhere to ongoing or anticipated dispute, inquiry, investigation, etc. At the end of every year, each department shall review and identify the documents due for destruction. The final responsibility of the document owner is to assure appropriate disposal to prevent misuse by others.

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### 7. Method of destruction

The method of destruction should be consistent with the type of record being destroyed. For example, confidential records should be disposed off in a way that prevents them from being accessible to others (such as shredding, incineration in an authorized facility, etc.).

#### **All documents must be scanned before initiating the destruction.**

Document files which are scanned and uploaded on DMS are stamped as "*DMS Upload Done*". Such documents need not be scanned again and can be directly destroyed. (Please refer "Guidelines for Digitization of documents" for detailed procedure relating to DMS)



[Click here to view Guidelines on DMS](#)

### 8. Register of documents destroyed

As per the Rule 4 of Companies (Preservation and Disposal of Records) Rules, 1966, a company should maintain a register wherein it shall enter brief particulars of the documents destroyed, date and mode of destruction and all entries made therein shall be authenticated by the secretary or such other persons as may be authorized by the Board for this purpose.