



## **Policy on Preservation of Documents/Archival Policy**

### **1. PURPOSE**

IIFL Securities Limited (ISL) believes that a good record keeping program is fundamental to the Company's commitment to administrative transparency and accountability. The purpose of Policy on preservation of Records ("Policy") is to ensure that necessary records and documents of the Company are adequately protected and maintained and to ensure that records that are no longer needed by the company or are of no value are discarded at regular interval.

The Company understands that records form an essential and significant part of the Company's resources.

Securities and Exchange Board of India, has vide notification dated September 2, 2015 introduced the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, with effect from December 1, 2015, whereby, every issuer which has previously entered into agreement/s with designated stock exchange to list its securities, shall execute a fresh listing agreement with such stock exchange within 6 months of the date of notification of these regulations. Regulation 9 of Chapter IV of the said regulations requires the Company to frame a policy on preservation of documents. Further, Regulation 30 (8) requires the Company to frame a policy on website disclosures of such disclosure.

This policy has been adopted by the Board of Directors in their meeting held on May 13, 2019 and shall be effective from date of applicability of said Regulations.

### **2. POLICY:**

#### **I. Records Appraisal procedure**

The records appraisal process shall involve making a considered and formal judgment, often after considerable research, that certain records have enough value to warrant a considerable and continuous expenditure of funds for preserving them. In general, the Company shall consider the following factors while deciding on whether or not documents are to be preserved. However, these are the guiding principles and the Company shall not be rigidly bound by them. They shall serve as an aid for the respective operational/ functional departments of the Company in making decisions for preservation of documents:

1. Whether the records are statutory documents required by the various regulatory authorities from time to time.
2. Whether the information contained in the document is generally available.



3. Whether the values possessed by the records is purely informational or of some intrinsic value.

4. Assessment of the user's needs for the document- whether it is of active use, semi-active use (not of current use but referred to on occasions) or is rarely or never needed for reference.

## **II. Manner of preservation of documents:**

### **a) Methodology of preservation:**

The Company may primarily utilize any one or more of the following in preserving the records:

- i. Department or function wise.
- ii. Subject or topic wise.
- iii. Chronologically
- iv. Such other method as the Departmental heads may consider appropriate, so as to fulfill the following objectives:
  - a. To meet legal standards for protection, storage and retrieval.
  - b. To optimize the use of space and minimize the cost of record retention.

The documents/records can be stored in physical/electronic form as print-outs of data stored in a floppy, disc, tape or any other form of electro-magnetic data storage device. However, Vendor invoices if not digitally signed should be stored in originals.

### **b) Security and security conditions:**

The records should be stored in conditions that are secure and clean with low risk of damage. Records of non-paper format shall require special storage conditions and handling process, after taking into account their specific character. Similarly, records of continuing value and requiring longer preservation shall require a higher quality of storage.

## **III. Duration of preservation:**

The minimum retention requirement of the different categories of the company records is provided in the Retention schedule which is disclosed by way of Annexure to this policy. The said schedule classifies the records into the following categories:

- i. Documents whose preservation shall be permanent in nature.
- ii. Document with preservation period of not less than eight (8) years after completion of the relevant transactions.



#### **IV. Destruction of Records:**

Records which no longer serve a useful purpose or have completed their period of preservation may be destroyed. Record destruction can also improve operational efficiency by reducing the quantity of records to be searched in order to locate the needed information. Mode of destruction shall include (but not limited to) the following:

- i. Confidential paper records: may be destroyed by making them unreadable.
- ii. Non-confidential paper records- may be sold to waste- paper dealers or recycled.
- iii. Electronically stored records- may be erased or destroyed with the help of the IT Department.

The record of destroyed document to be maintained by the concerned department will be maintained permanently.

#### **V. Role and Responsibility of various Departmental heads:**

- i. The department heads must be familiar with this policy and educate their department in this regards.
- ii. They must restrict access to confidential records and information.
- iii. They must coordinate in the destruction of the records when required.

#### **VI. Amendments in the Policy:**

- i. The Board shall review and amend this policy as and when required.
- ii. Any subsequent amendment/ modification in the Regulation and/ or other applicable laws in this regard shall automatically apply to this policy.



		Companies Act, 2013  9. Correspondence with Security holders  10. Copies of Annual Returns alongwith certificates and documents annexed thereto	latest entry is made.  8 years from the date of compliant resolved.  8 years from the date of filing with Registrar.
4	Insurance Records	1. Insurance policy executio Renewal / certificate.  2. Insurance claims under various policies.	8 years from the lapse of policy/ settlement of claim.
5	Contracts/ Agreements/ purchase orders	1. Renewal 2. Modification /addendums 3. Termination. 4. Notices. Etc.	10 years from date of date of termination of contracts or closure of the issue, if any
6	SEBI & Stock Exchange Records	1. Correspondence with Statutory bodies. 2. Quarterly/ Half yearly/ Annually/ Other compliances submitted from time to time 3. Listing Agreement.	Permanent
7	Miscellaneous Licenses Obtained from the statutory authorities	Various Certificates, licenses, approvals, etc.	Permanent
8	Property Records	1. Agreements/ contracts 2. Documents relating to acquisition and sale of Real property	Permanent
9	Legal Records	1. Legal Memoranda and Opinions (including all subject matter files)	10 years after closure of matter
		2. Arbitration and Litigation Files	10 years after the award/judgement becomes final in all

			respects by limitation or final decision in appeal/ revision
		3. Court Orders	Permanent
		4. Loan sanction documents including correspondence with Clients and duly signed application forms received from Client	At least 10 years after termination
		5. Equitable Mortgage Register	Permanent
		6. Legal Contracts	10 years after termination
		7. Legal Correspondence	10 years from closure of the Matter.
		8. Files, papers and documents relating to contracts, agreements etc.	10 years after the contract/ agreement is fulfilled or terminated. In cases where audit objections have been raised, however, the relevant files and documents shall not, under any circumstances, be allowed to be destroyed till such time as the objections have been cleared to the satisfaction of the audit authorities
		9. All confidential Agreements of Non-Disclosure nature	Permanent
10	Personnel Records	1. Official Personnel files of Active Employees.	To be retained during the active employment
		2. Official Personnel files of Inactive Employees	8 years from the date of termination of

			employment
11	Labour Law records	1. Registration/ Renewal Certificate under Various Acts relating to Labour Laws.	Permanent
		2. Maintenance of various registers under the various acts in force read with the Rules made thereunder, relating to Labour Laws.	
		3. Provident Fund Records	10 years
		4. ESIC Records	5 years
		5. Professional Tax Records	8 years
		6. Labour Welfare Fund Records	5 years

## 12. Accounting and Finance

Sr. No	Record type	Retention period
1	All sums of money received and expended by ISL and matters in relation to which the receipt and expenditure take place	Preserve for a period of at least 8 Financial Years.
2	All sales and purchase of goods and services by ISL	
3	The assets and Liabilities of ISL	
4	Financial statements consisting of a balance sheet as at the end of the financial year, a profit and loss, Cash flow statement, a statement of changes in equity, explanatory notes to financial statements.	
5	Vouchers.	
6	Records relating to branch mentioned in point 1 and 2 shall be maintained at branch.	
7	ledgers, day-books, cash books, account-books and other books, whether kept in the written form or as	



print-outs of data stored in a floppy, disc, tape or any other form of electro-magnetic data storage device	
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### **13. Records as required to be maintained under Prevention of Money Laundering Act and rules made there under read with RBI circulars in respect thereof.**

As required under the provisions of Prevention of Money Laundering Act and rules made there under following records to be maintained and preserved for the period of 5 years from date of transaction.

- a. All record pertaining to or evidencing all cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency;
- b. All record pertaining to or evidencing all series of cash transactions integrally connected to each other which have been individually valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds Rs.10 lakh;
- c. All record pertaining to or evidencing all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions;
- d. All record pertaining to or evidencing all suspicious transactions whether or not made in cash.
- e. All record pertaining to or evidencing all cross border wire transfers of the value exceeding Rs.5 lakh or its equivalent in foreign currency where either the origin or destination of fund is in India
- f. All record pertaining to or evidencing all purchase and sale of immovable property valued at Rs.50 lakh or more that is registered by the reporting entity.

### **14. Tax Records:**

- i. Cash book
- ii. Journal, Ledger
- iii. Carbon copies of bills, whether machine numbered or otherwise serially numbered, whether such bills are issued by the person and carbon copies or counterfoils of machine numbered or otherwise serially numbered receipts issued by him.
- iv. Original Bills whatever issued to the persons and receipts in respect of expenditure incurred by the person or, where such bills and receipts are not issued and the expenditure incurred does not exceed Rs. 50, payment vouchers prepared and signed by the person. However, where the cash books maintained by ISL contains adequate particulars in respect of the expenditure incurred by it such bills and receipts may not be preserved.





The above records shall be preserved by ISL for the period of atleast 6 years from the end of relevant assessment year i.e. 8 years and for the transfer pricing purpose, the books are to be kept for a period of 10 years under the applicable provision of Income Tax Act, 1961.

In addition following documents needs to be preserved:

<b>Sr. No</b>	<b>Record Type</b>	<b>Retention period</b>
1	Tax-Exemption Documents and Related Correspondence	Permanent
2	Tax Returns and Payments of Tax proofs	Permanent
3	Tax Work papers – Originals	8 years. In case of Transfer pricing being applicable for the period of 10 years.
4	Service Tax Documents/ Books of Accounts- All vendor invoices in which Service Tax input is claimed are to be preserved.	5 years from date of such invoice.