

# CASTROL INDIA LIMITED

## Records Retention and Website Archival Policy

(V-2 : Effective 1 January 2016)

### 1. RECORDS MANAGEMENT

#### 1.1 Introduction

Castrol India Limited (CIL/the Company) is concerned with the efficient and economical management of records. The records management policy controls the creation, maintenance and disposition of records and establishes appropriate procedures to be followed by the Company.

Through the implementation of this Policy, the Company expects to improve access to information, promote sharing and transfer of information, effectively utilize limited office space for active records, utilize low cost, remote storage for inactive records, reduce overall costs related to records management, ensure compliance with existing legal requirements, comply with record requirements related to litigation, government investigation or audit, and ensure the availability of records to those who have legitimate needs for the requisite period of time.

#### 1.2 Scope

The procedure detailed within this document applies to all CIL offices. Records Retention and Website Archival Policy (the Policy) comes into effect from 1st January, 2016 and replaces the earlier policy (V-1) that was effective from 1st April 2007. The concerned function dealing with third party service provider should take required steps to implement this policy at third party locations.

Policy will be reviewed & updated periodically.

#### 1.3 The Policy

This Policy controls the creation, maintenance, and disposition of Records and establishes appropriate procedures to be followed by the Company. The Policy requires employees to-

- i. Create only those documents that are needed for the operation of the Company;

- ii. Retain documents for the period of time established by the appropriate Retention Schedule;
- iii. Destroy documents as per policies/procedures of the Retention Schedule;
- iv. Comply with prevailing national, state, and international legal requirements including legal requirements related to litigation, government/regulatory investigation and audit.

The length of time for which any document must be retained depends on (i) the type of document; (ii) the requirements of the law and (iii) the Company's policies. Full details may be found in the applicable Retention Schedule.

Any employee or third party employed by a contractor or service provider who violates this Policy may be subject to appropriate action.

## **2. ROLES & RESPONSIBILITIES**

### **2.1 *Responsibilities***

Records management is mandatory and expected of everyone. The Company Records are the property of the Company, and not of the author or custodian of those records. No employee/contractor has any personal or proprietary right to the records of the Company, including those records they helped develop or compile.

Records management within a function will be the responsibility of the Functional Head. Each Functional Head may appoint records coordinators who will manage the respective functions record based on instructions from Functional Head. Each Functional Head will be SPA (Single Point Accountability) for all activities and Records Coordinator in each function will assist him/her.

### **2.2 *Record Creator's Responsibility***

Any person who is creator of any document or record shall:

- i. Keep active records on-site within the department or as specified by the department.
- ii. Manage records in accordance with the Company's policies and required statutes.
- iii. Store records at allocated storage space.
- iv. Provide list of unwanted records to Records Coordinator for

destruction.

- v. Ensure records are properly filed.

### **2.3 Functional Head/Record Coordinator**

Functional Head will act as Record Co-coordinator or if necessary appoint one within the function who will -

- i. Identify each activity of records generation and make plans for storage of the same or decide on discarding any unwanted generation of records.
- ii. Take inventory of existing records within the Company locations and third party service provider.
- iii. Support their respective department for retrieval of records within the Company locations and from third party service provider. He is the sole person dealing with third party service providers for maintenance of records.
- iv. Update SPA on a regular basis on status of inventory of records.
- v. Identify records for destruction and take approval of SPA before actual destruction.
- vi. Educate all concerned within the function as well as third party service provider about policies and procedures of retention and destruction.

**2.4** Finance Director is SPA for the purpose of implementation of this Policy and addressing queries, if any, pertaining to the same.

**2.5** CIL's Board will advise Finance Director on records management programme / this Policy / Retention Schedule, from time to time. CIL's Board will overview retention policy from time to time.

## **3. TYPES OF RECORDS AND RECORDS MANAGEMENT**

### **3.1 Records Definition**

For the purposes of this Policy, "Document / Records" means any form of recorded information created or maintained for use at a later date, originating in or received by the Company for the conduct of business operations and activities, including paper, computer disk or tape software video, e-mail message or other recorded information, personal drafts and

handwritten notes , regardless of the medium, created or received by the Company for use at a later time, useful for the Company's conduct of business operations and activities. Active Records are records referenced on a regular basis, generally more than once each month or during the current fiscal year.

*(Note - Each function shall decide for itself what do they mean by Active Records & after what time they become inactive and develop a habit of retaining soft copies of their records).*

### **3.2 Inactive Records**

Inactive Records are records which are no longer referenced frequently or regularly but which must be retained to comply with prevailing national, state, and international legal requirements including legal requirements related to litigation, government/regulatory investigation and audit in future.

### **3.3 Vital, Sensitive & Confidential Records**

Vital, Sensitive & Confidential Records are those records that are essential for continuing business operations immediately following a man-made or natural disaster (e.g., flood, earthquake, tornado, fire, sabotage, bomb, etc.) that may interrupt management, manufacturing or personnel. These records are needed to:

- i. Prove legal ownership and the right to do business and include documents of the properties owned;
- ii. Resume and continue operations;
- iii. Fundamental to the business operations like JVs, Shareholder Agreements;
- iv. Statutory permissions, approvals and registrations;
- v. Pertain to Company's technology and IP rights;
- vi. Documents like Board, Shareholder Minutes and Signed accounts; and
- vii. Any other documents / records, absence of which could cause major problem in running of operations or supporting Company's claims.

### **3.4 Historical Records**

Historical Records are those records and objects that document or provide examples of significant decisions, milestones and activities in a corporation's history, whether successes or failures, past or present. They may be in the form of documents, minutes, letters, memos, studies, or

special reports. Objects such as pictures, slides, tools, signs, product samples, packaging, etc, may also be historical.

### **3.5 Steps for effective records management**

- a. Each department shall determine who will be responsible and what resources will be needed for Records management. Establish a Departmental Records Coordinator who will perform the function.
- b. Identify Records needed to document the activities and functions. Take an inventory of the materials in office.
- c. After taking inventory, determine:
  1. If records will be kept in a "centralized" area or "decentralized" area at individual workstations.
  2. The type of document that is included in the Record files.
  3. How draft documents, working papers, and copies will be handled.
  4. Who will be responsible for maintaining the Records.
- d. Match Records identified with the Retention Schedule- Match the records identified in inventory with the Retention Schedule. The schedule provides information regarding the length of time records should be maintained.
- e. Prepare a "file" plan - Select the best method of filing based on the kind of work in which the business unit is involved and how the Records are used.
- f. Document Record keeping requirements and procedures.
- g. Clean out Records that are beyond the approved retention periods- Get rid of those materials in your office that are not needed.
- h. Organize the Records- Prepare folders and organize documents within the folders. Organize electronic documents (e.g., Word, Excel, e-mail messages) residing on individual computers or group network directories using the same file plan.
- i. Maintain the Records on an on-going basis - File new materials on a regular basis and Clean out inactive materials on a regular basis.
- j. Create awareness of Record management system for every person working in the department / function.

### **3.6 E-mail management**

Just as employees are expected to manage paper records in accordance with the Policy, they must also manage their e-mail and other electronic data. The immense volume of e-mail generated and received within CIL each day requires that employees be diligent in managing that information. Depending on its content and business value, e-mail (and any associated attachment) may qualify as a business record subject to the Policy. E-mail records should be managed using the same principles that govern retention of paper records and have to be retained if it is relevant to pending or threatened litigation or government investigations.

E-mail that has continuing business value should be treated the same as any paper document that contains similar information – it may fall within the record categories defined in the Policy. Regardless whether such information remains in electronic form as an e-mail or is printed to paper, it would still qualify as a “business record” subject to the Policy. However, experience shows that much e-mail has little or no lasting business value. Unless it relates to a pending or threatened litigation or investigation, such e-mail does not need to be retained as a business record and can be deleted once its purpose is served (unless a legal hold is in place). For example, e-mail often serves the same purpose as a telephone call – a quick communication to set up a meeting or make an inquiry. E-mail that has no business value at all and should not be retained – such as e-mail confirming lunch dates.

Employees are already familiar with the requirement to clean out their mailbox. Employees should regularly delete e-mail that no longer has business value (assuming there is no legal hold on the e-mail and that it does not relate to a pending or threatened litigation or investigation).

An efficient way to deal with e-mail that qualifies as a record, is to create personal folders with descriptive names that correspond to projects or to record categories typically used by each employees, including the month and year in which the folder was created. E-mail that needs to be retained as a business record can be moved into the appropriate folder and taken back-up of.

*(It is important that this part of the policy is read with the advisory/guidelines issued by IT department on preservation of e-mails, from time to time.)*

### 3.7 **Business data in electronic form**

#### a) JDE Data on AS400

CIL works on JDE ERP / Keris Template from 1996. JDE Servers are currently hosted in BP Mega Data centres in Singapore. Infrastructure services team shall ensure regular backup of the machines. The data backup shall be retained as per IT backup policy, however for not less than 10 years.

#### b) CAMS Data ( Excise software)

CAMS - Excise accounting software is integrated with the JDE ERP. The servers are currently hosted in BP Mega Data centre in Singapore. Infrastructure services team shall ensure regular backup of the machines. The data backup is retained as per backup policy, however for not less than 10 years.

#### Scanning System ( Document Workflow)

CIL shall use the document workflow system for digital storage of Invoices in the payment processing cycle. The servers are currently hosted in BP Mega Data centre in Singapore. Infrastructure services team shall ensure regular backup of the machines. The data backup is retained as per backup policy, however for not less than 10 years.

## 4. **TRANSFER OF RECORDS**

General guidelines for transfer of Active and Inactive Records is given below:

### 4.1 **Transfer of Records to Records Management Staff /Third Party Service Provider**

Records Coordinator will review on annual basis:

- i. List of all Active Records to be transferred to the third party service provider.
- ii. Identify records to be transferred as per retention policy.
- iii. Ensure proper labeling on the file is done.
- iv. Keep copy of list of files sent to third party service provider.
- v. Ensure copy of list sent to SPA.
- vi. Ensure to get list of inventory sent by third party on a monthly basis.
- vii. Ensure that every carton is properly packed & labeled and not overloaded.

#### **4.2 Retrieval of Records from Third Party Service Provider**

User will inform Records Coordinator for records retrieval after taking required approval from the line Manager with a request of time period for which it will be required. Records Coordinator will check the list of files to be retrieved and take the approval from SPA and will send request to service provider. Service provider will handover Records to Requesting Coordinator. Records Coordinator will update his list after handover of data to the concerned.

#### **4.3 Movement of records within the Company**

User will inform Records Coordinator for records retrieval after taking required approval from the line manager with a request of time period for which it will be required. Records Coordinator will check the list of Records to identify whether they are Active or Inactive and retrieve accordingly.

Records Coordinator will arrange to resend Records after being received from the users and will update the list. Each individual will be responsible to arrange for transfer of Records in case of change in office place with the help of Records Coordinators.

#### **4.4 Closure of CFA's**

In case of closure of CFAs it is important to ensure that Records lying at these locations are also shifted along with stocks. It is necessary to have pre defined document list with details of Records to be obtained from respective location like inventory, invoices, bank instruments, purchase order copies, promotional items, statutory records like excise duty details, stock return details etc. In case of closure of third party location respective line manager will ensure shifting of Records to Regional Office / new third party location and give a sign off to the concerned Record Coordinator.

*(It is important that this part of the policy is read with the SOP/guidelines issued from time to time, for record keeping at warehousing / CFAs).*

### **5. RETENTION SCHEDULE**

Records in all formats (paper, electronic etc.) shall be maintained in an easily retrievable manner for as long as they are likely to serve a commercial or reputation purpose or are required to be kept by law. At



the expiration of this period, the records should be destroyed. Historical and vital information will be identified and safeguarded to assure the continuation of CIL's interests globally. It is CIL's policy to retain records only for the minimum time necessary to conduct its business and to satisfy legal and regulatory requirements.

***List of Records to be Stored & Retention Schedule - As per Annexure 1.***

**6. RETENTION OF RECORDS REQUIRED UNDER TAX AND CORPORATE LAWS**

- a) Income Tax Act - Records are required for seven years from the end of the relevant financial year. Transfer pricing related documents (for international transactions) – 9 years from the end of relevant financial year.
- b) Excise and Service tax – All records i.e. invoices, accounts, production records, sales records and statutory records etc for the excise purpose is required to be retained for a period of 5 years from the completion of assessments. Further for specific issues such as litigation i.e. notices, replies, paper books, orders, cost computations for valuation, adjudication, appeals etc., it should be preserved for the period of 5 years after the case is resolved.
- c) Companies Act - Under Companies Act, books of accounts including vouchers of a Company have to be preserved in good order for a period of 8 years.
- d) Sales Tax / VAT - Under various state VAT/Sales Tax Act the records are required to be retained for a period of 8 years from the end of the of the relevant financial year. Further the records are required to be maintained where there are ongoing litigation and should be retained till 3 years after end of litigation.
- e) Every statute usually lays down the time period for which documents need to be stored. Else the general limitation period under the Law of Limitations would apply.

Each function should decide the time period for which such non statutory records needs to be retained based on available place & business requirements.

## **7. RECORDS DESTRUCTION PROCEDURE**

### **7.1 *Destroying Records***

Records will be destroyed in accordance with the terms of the Policy in the normal course of business after the applicable retention period has expired and with approval from SPA. Proper destruction of active and inactive records is the responsibility of each functional team. As established retention period expires, Records will be destroyed on an ongoing basis to prevent excessive accumulation and eliminate unnecessary costs of managing obsolete Records. Each functional team is responsible for at least once a year to verify that Records are being managed in accordance with the Policy. Steps to be followed for Records Destruction:

1. Check with the Policy / Retention Schedule.
2. If it exceeds retention period, Records Coordinator to prepare a list of Records to be destroyed.
3. Records Coordinator to take his SPA's approval to destroy Records.
4. On receipt of approval from SPA, Records coordinator to send the list of Records to be destroyed to FC&A.
5. FC&A will take clearance from Tax / Legal Department.
6. FC&A will send a formal sign off to destroy Records or reject proposal to destroy Records.
7. If proposal is approved to destroy Records, Records coordinator to arrange for Records to be destroyed.
8. Retain FC&A approval's to destroy Records at your end.

### **7.2 *Destroying Procedures***

Records Management staff / third party service provider will provide listings to each functions indicating records held in Records storage facilities that are eligible for destruction. It is the responsibility of each functional unit to timely review these listings to ensure that no records slated for destruction are subject to existing law or tax laws. The Legal and Tax Department will also review the destruction listings for records that may be subject to holds. Records will not be destroyed without approval of functional team leader and/or Legal, Tax Departments in accordance with this Policy. Documentation of proof of destruction shall be maintained by each function.

### **7.3 Removing Records for Destruction**

On-site Records that are approved for destruction shall be removed from their filing location and brought to a staging area. The Records Coordinator or other authorized person shall verify that the Records correspond to those identified in the list of Destruction Form.

### **7.4 Methods of Destruction**

There are three recommended methods of Records destruction:

- Shredding: Cut Records with a mechanical shredder before releasing for destruction.
- Recycle: Deposit the Records in Company containers or bags to process in order to regain material to be used again
- Waste Paper: Discard with department (In Mumbai, we have an agency called Salvation Army)

One may use any of the above methods depending on the nature of records.

### **7.5 Establishing "holds" on Records**

Records that are subject to existing (and potential) court and administrative orders in litigation, governmental proceedings or investigations, audits or are otherwise identified as not for destruction for business reasons cannot be destroyed even when permitted by Retention Schedule, such Records will be kept "on hold". No records subject to a "hold" will be considered for destruction until the "hold" is removed. For this reason, no records subject to a "hold" should appear on a list of Destruction form. The functional head placing the "hold" on the records will promptly notify the Records Coordinator / third party service provider by e-mail when a "hold" can be released.

The Legal / Tax Department is responsible to advise on determining the scope of the litigation or other adversarial action, or investigation where the Legal / Tax Department is providing counsel and communicating this information to the Records Coordinator / third service provider. Hold lists will be generated periodically by Records Coordinator / third party service provider for functional team review. The Records Managers should circulate a list of held Records to the Legal / Tax Department on an annual basis to verify that the holds are still in force.

## 8. RETENTION OF DATA ON WEB-SITE AND DATA ARCHIVAL

The Documents that are to be made available on the Company's website in Compliance with the Companies Act, 2013 and SEBI (Listing Regulations and Disclosure Obligations), 2015 will be made available on the website for a period of 5 years and thereafter will be archived for a period of 2 years. However, in case of any updation in disclosure of such published record, the older record can be removed from the website provided it does not lead to contravention of any law(s) or regulation(s) in force. The Finance Director is authorised to make appropriate steps as he/she may deem expedient taking into account the law for the time being in force and Compliance Officer may be contacted for the archived data on the following email id [investorrelations.india@castrol.com](mailto:investorrelations.india@castrol.com).

### Annexure 1

#### LIST OF RECORDS TO BE STORED & RETENTION SCHEDULE

Sr.	Function	Description of record	Minimum Retention Period
1	FC&A	<b>Accounts Payable</b>	10 Years
		Invoices / Vouchers	
		Credit Card Statements	
		Employee Expenses	
		Petty Cash Vouchers	
		Creditors Ledger	
		Challans – P.F / Pension	
		E.S.I.C	
		Profession Tax	
		Agreements	
		Purchase Orders	
		Contracts	
2	FC&A	<b>Capex</b>	10 Years
		Invoices	
		Deletion Details	
		Transfer Details	
3	FC&A	Accounts Receivable	10 Years
4	FC&A	<b>General Ledger</b> Journals	10 Years
5	FC&A	Payroll Data	10 Years

6	FC&A	Chart of Accounts, groupings and Trial Balance	10 Years
7	FC&A	Management Information	5 Years
8	FC&A	<b>Insurance</b> Insurance policies – CIL & BPISPL Medical payment details. Import Insurance documents. Insurance Certificates for employees traveling abroad. Insurance settlements received at Corporate Office. Housing / Vehicle loan details sent to Insurer. Personal Accident Policy details for employees. Policy renewal details of policies. Risk Inspection reports of CFA's Location wise Closing Stock details – Monthly.	5 Years
9	Admin	Details of Assets given to employees	5 Years
10	Internal Audit	Internal Audit Reports Charters/Policies Magazines	5 Years Permanent 1 Year
11	Audit	Consolidation files	10 Years
12	Treasury	Deposit	10 Years
		Bank Statements	
		Bank Reconciliation	
		Investment Details	
		Sale Purchase – Investment and documents	
		Deposit Slips	
		Cheque Counterfoils if any. Branch Transfers	
		Certificate of Foreign Remittance	
		Exchange Control copies	
		Agreements with Banks./ Credit Card Co.	
		Bank Guarantees issued	
		Bank Guarantees received	
		Letter of Credit details	
		Cheques Returned etc	
13	FC&A-HO	Monthly Reporting	5 Years
		Quarterly Reporting	10 Years
		Details of Bad / Debts provide / write off	
		Fixed Assets write off details and approvals	
		Published Accounts copies	Permanent
		Stock Exchange Announcements	Permanent
14	Company Secretarial	Minutes of Board, its Committees and General Meetings	Permanent

		Agenda for Board ,Committees and General Meetings and all its related documents	Eight years
		Original Accounts	Permanent
		All the Annual Filings (Annual Accounts, Annual Return) with the Registrar of Companies	Permanent
		All the other filings (Public issues, Right issues, Bonus Issues, Preferential issues, Reduction in capital and those pertaining to the scheme of reconstruction) with the Registrar	Permanent
		CLB Petition, CG approvals for various approval under the companies act and its supporting files	Permanent (Support files - Twenty years)
		All Statutory Registers under the Companies Act	Eight years
		Insider Trading code Employee disclosures and Register for pre-clearances	Eight years
		Approvals and filings of RBI (FC GPR, FDI, FIPB)	Permanent
		All the forms filed with the Stock Exchanges and all the communications including SEBI take-over guidelines filings	Eight years
		All the Stock Exchange approvals for Listing, approval for trading	Permanent
		Advertising material (Newspaper advertisements.)	Eight years
		Mailings to stockholders	Indefinite (review and update annually)
15	Legal	Agreements  Agreements pertaining to title to property long term lease, collaboration, IP license, business purchase, takeover, shareholder agreements	Ten years after expiration  Permanent
		Disputes arising out of contracts	Ten years
		Litigation files including papers such as Petitions, evidence pleaded, legal opinions  The Original court order is to be preserved	Ten years after the case is disposed of.  Permanent
		Development/ Intellectual Property and Trade Secrets	Five years after the life of IP
		All other documents	Eight years

16	PPM Team	GFO / Plan files & working papers	2 Years
17	Costing Records	Import purchase orders. Import Invoices Custom Duty payment details – payment copies. Monthly Accounts Closure workings. Price Advices released by streams. Base Oil Cost Sheets.	10 Years
18	Plant Records	Excise invoices Price declarations Classification lists POs for direct sales RG1 registers RG23A & C Personal Ledger Accounts PLA, TR6 Challans RT-12, AR4 , ARE CT-3/ other exemption certificates Bonds Letter of Undertaking for export Copies of Bank Guarantees Bill of materials (BOMs) Blend Reports Recon. statements Gate Registers Quarterly stock taking records, Variance reports Correspondence with Excise Department All documents relating to disputes, Orders passed by Authorities. Vendor/ISD invoices for inputs/CG/ST etc received	10 Years
19	Marketing	Advertising Contracts	5 Years
		Promotional Materials	
		Market Research	
		Trade Shows	
		Special Projects	
		Films / Cd's / Photographs	
20	Public Relations	Media Related documents	
21	Direct Tax	Corporate Tax Return. Expat tax returns. Annual return for payments to non-residents Assessment / Appellate notices & orders. Advance Tax Challans. Wealth Tax Returns	Permanent

		FBT Returns	
22	Indirect Tax	Monthly sales tax payments & Challans. Sales Tax forms, subsidies. Annual Returns Stock Transfer Details Sales Register Sales Invoice Customer Ledger Show cause/PH notices Replies/submissions Orders Appeals Paper books for appeals Refund claims Service Tax Registers Service Tax – Vendors Invoices Service Tax Returns TR6 Challans for Service Tax Copies of ISD invoices PME-CA Certificates & supporting evidence	10 Years
23	HR	Employee Database	10 Years
		Benefit Details – Share match etc	
		Medical Claims	
		Leave Records	
		Group Insurance Records	
		Personnel Records	Permanent
24	Regions Records	Customer Master Information Distributor Agreements Workshop Schemes – Agreements Any Legal matters & correspondence Bank Statements Bank Guarantees received & issued Cheques returned instruments Un-utilized cheque leaves Un-utilized cheque received from customers Debit / Credit notes Lease Agreements if any Maintenance contracts Payroll correspondence to HO	10 Years



25	Supply Chain	Contracts, Bill of Lading CFA's / CCC's Contracts Agreements with transporters Base Oil Agreements Agreements with third part processors. Purchase Order Sanctions Bill of Entries Storage location contracts	10 Years
26	HSSE	Contracts, Leaflets Reports, MI etc	5 Years
27	DCT	AS 400 server data CAMS Turfview	10 Years 10 Years 3 Years
28	GLT	Any testing / R&D reports Specifications	5 Years

**Note :**

1. All the records which are categorized as 'Vital' / 'Historical' as per the guidance provided in the Policy shall be stored permanently.
2. The SPA (CFO), upon recommendation of Functional Head may make change in this Annexure for the purpose of compliance with statutory provisions and/or BP Group policies, as may be amended from time to time.