



PSB Document Handling & Retention Policy for FY 2021-22

The policy has two parts i.e.

- 1. Documents Handling & Retention Policy**
- 2. Preservation and Destruction of Bank's record Policy
(At Branches and all Controlling Offices)**

(1) Document Handling & Retention Policy

1. All books and registers, in current use, must be entered serially in the register of current- cum-old records, the files being entered section-wise, at separate openings.

The serial number, at which a book is entered and the serial number and the section, under which a file is recorded, must be indicated on its cover.

2. An employee handling a particular book/ register / file, will be responsible for its custody, during the day time, while overnight, all current records must remain, under lock and key, in the custody of the respective section in-charge. The duplicate keys of all receptacles with relative tags should be placed, in the custody of incumbent in-charge in the strong room or safe. Before leaving the office, section in-charge, should ensure that no records, pertaining to their section, are left outside in the banking hall/ on the counter. Guards/watchman, wherever posted, should ensure that all safes and Amirah are locked.

3. At metropolitan centers, where there is a cluster of branches, Record warehouses / Room may be opened wherein record of all the nearby branches may be stacked branch wise / sidewise and year wise. Branches, which have space with in the branch premises are advised to earmark some space for Record Section. Such branches having shortage of space may be allowed to have Record room by acquiring sufficient space on rent after examining the space available vis-a-vis business growth at such branches.

The procedure for transfer of the Old Record to Record Room / Warehouse shall be as under:

- i) Branches shall intimate the concerned Zonal Office that their records are ready for transfer/shifting to the Record Room / Warehouse.
- iii) Zone shall enter their request in the Old Record Control Register and will intimate the Zone Control Number to the branch along with the name of the Record warehouse / Room where the records are required to be sent/shifted.
- iii) A photocopy of the perforated sheets of the Zonal Office Old Record Retention Register duly marked with the Zone Control Number shall be sent to the concerned Record Room/ Warehouse by the Zone, under-intimation to the branch concerned.

SAFE KEEP OF RECORDS - PROTECTION AGAINST FIRE HAZARDS

4. All books, files, vouchers and other documents etc., forming part of the bank's records, must be methodically and tidily kept in such a manner, that these do not deteriorate and are easily traceable, for reference, when required. Books and files must be handled carefully, in order that these remain intact and loose pages must immediately be replaced firmly in the proper order. In order to protect the more, 'important records from fire hazards, the following guidelines should be followed:

- a) All documents and papers connected with the Account opening forms must be kept in the strong room overnight. In case of inadequacy of space in the strong room, these may be kept in fire resistant steel cabinets outside the strong room.
- b) The locked loose leaf binders of specimen signatures must be placed in the strong room.
- c) Articles in safe custody must be kept- in the strong room. The records pertaining to articles in safe custody, or G.P. Notes, Shares etc. must be retained as permanent records in the strong room.
- d) All ledgers registers and documents, should be kept in safe receptacles, all loan documents securities, papers, ledgers etc. relating to loans and advances all account opening forms, balance books, copies of latest half yearly returns, current loan files of big borrowers, all vouchers for last six months, and if possible all ledgers of deposit accounts should be kept in fire proof safe / cabinet and kept in strong room, where available.

e) While the relevant records should be properly maintained inside fire proof storage system, wherever space in the strong room permits keeping of fire proof cabinets/almirahs etc, the same may be kept inside the strong room as far as possible.

Note: Law does not afford any protection in respect of any negligence in the matter of preservation. The only protection available is in case of records destroyed by fire, inundation, flood, earthquake or any other Act of God. Where such a circumstance comes about, a list has to be made in respect of the items that are missing and an endorsement has to be made on the register stating that the record Item No. are destroyed by fire, inundation, earthquake etc.

5. Files should not be permitted to become over bulky and when 150 pages have been filed, new files should be started. Completed books and files must be properly labelled with the dates of commencement and completion and the latter date entered in the register of current-cum-old records. Thereafter, these will be handed over to the official responsible for the custody of old records, who will - initial for their receipt in the register.

OLD RECORDS:

6. The old records will remain in the custody of an official, not below the rank of a special assistant, but the handling, thereof, will be entrusted to a daftari, who should work under the supervision of the said official.

7. Immediately on receipt of a completed book/file, it will be entered in the relevant columns of current-cum-old register of records in which separate pages will be used for entering files relating to the various sections and different books. Entries in the register of current-cum-old records will be checked and signed by the official responsible there for.

8. Old records must be kept systematically in locked Almirahs or on shelves, the keys of which will remain with the official in-charge. The duplicate keys will be entered in the register of keys and kept in the strong room/ cash safe. As far as possible, records relating to each section will be placed together and arranged in chronological order. Steps

should be taken by chemical treatment, to destroy any white ant, which may appear in bank's records, immediately, and mildew or dry rot, must be treated at once.

9. In all cases, where records are to be taken possession by the Police/Governmental authorities, a written requisition has to be taken and an acknowledgement obtained from the recipient in respect of the particular record to be taken possession of or delivered to retaining copies of the records delivered.

10. Books or files, taken out for reference purposes, will be delivered only on a requisition from a checking official, who will initial for its receipt in a register maintained for the purpose. When these are received back, the relative entry in the register, 'will be marked off, under the initials of the official in-charge, whose duty; it will be, to see that the books/files taken out of the custody, are returned as soon as possible.

11. The Reserve Bank of India is further empowered by an order in writing to direct any Banking Company to preserve any of the books, accounts or other documents mentioned in those rules, for a period longer than the period specified for their preservation, in the said rules.

12. Incumbents/In-charges are also advised not to destroy the following records, needed for reconciliation of inter branch transaction entries, for the period upto which Reconciliation Department has not completed reconciliation work. Branches should follow strictly instructions issued / to be issued by HO Reconciliation Department or the HO Inspection Department in this respect.

Vouchers (Cash, Clearing, Transfer & Payment), Debit and Credit Extract, Register of T.T. Sent to Branches, Drafts Payable & T.T. Payable Ledger, Sundry Debtors & Sundry Creditors Register, Inter Branch Suspense Register, Drafts Issued Register.

13. Incumbents In-charge are also advised that all Ledgers, balance books, progressive balance books, long books, and loose sheets for long books may be destroyed, after the prescribed retention period, provided the relative balances are tallied.

VOUCHER FILING

14. After all the day's vouchers, have been checked through the ledgers, long books and day books, these will be sorted into cash payment and other vouchers.

15. The cash payment vouchers will be arranged, in the order of their entries in the cash book, stitched and sealed at the left hand top corner. The date and the number of vouchers, in each bundle, will be recorded on its cover, as well as, in the voucher register. The incumbent in-charge or officer, will check the contents of each bundle with the cash book, authenticate the correctness of the date and the number of vouchers, given on its cover and sign in the voucher register for its receipt. The sealed bundle of payment vouchers will then be placed in an envelope, which will be closed and sealed in the presence of the official incharge, who will keep it in the strong room, in a locked steel box.

16. Vouchers, other than cash payment vouchers, will be sorted, tallied -Cash, Clearing and Transfer, stitched and sealed. These will be numbered serially and the date and the total number of vouchers in each bundle will be recorded on its cover, as well as in the voucher register. The number of vouchers in each bundle, will be checked with Cash , Clearing , transfer journal and the day book, by the official in-charge of old records, who will authenticate the correctness of the date and number of vouchers, given on its cover and sign in the voucher register, in token of having received it into his custody. The vouchers will be kept in the room under lock and key.

17. The officials responsible for the custody of cash payment and other vouchers will only permit vouchers to leave their possession on the requisition by a checking official, who - will acknowledge their receipt in the registers kept for this purpose. When the vouchers, so taken out, are received back, the relative entries in the registers will be marked off under the initials of the respective officials, whose duty; it will be, to see that vouchers taken out of their custody are returned, as soon as possible. The time and

date of release and return of vouchers from custody as also the name of the concerned official who requisition the same shall be recorded in the related books.

18. When a cheque or a voucher is summoned to be produced in court, a true copy/photo copy thereof, duly attested by the incumbent in-charge, will be substituted for it, in the relative bundle, reference to the case and a remark to the effect that the original has been produced in court, being given on the copy. It will be the duty of the official in-charge to see that on every withdrawal or replacement of a voucher, the relative bundle is immediately re- stitched and resealed.

19. Banks records are to be maintained duly catalogued and indexed.

(2) Preservation and Destruction of Bank's record Policy

(At Branches and All Controlling Offices)

A. OBJECTIVE OF THE POLICY

- a) Orderly & periodic transfer of inactive Bank's records from prime office storage space or inadequate remote storage to the Bank's records centre.
- b) Systematic destruction of non-current Bank's records that have outlived their administrative usefulness.
- c) Identification of the Bank's records that are of sufficient & continuing administrative and historical value to warrant their transfer to and preservation in the Bank's record centre / archives.

B. SCOPE OF THE POLICY

For the purpose of achieving above objectives, the Document Handling & Retention Policy comprises three components, i.e. Record Keeping, Record Retention, and Record Media.

RECORD KEEPING

1. General Principles: Given the nature, scale and complexity of the business, the following related parameters are to be complied with for the purpose of record keeping:

(a) Sufficient data to assess, monitor and control the risks is available, nature and purpose of each transaction is explained besides observance of all statutory and regulatory obligations.

(b) Data is available in a format suitable for the purpose for which it is required and is available to authorized individuals (including RBI inspectors and internal / external auditors) on a timely basis. Further, access to confidential data is restricted to the authorized individuals (including RBI inspectors, internal and external auditors) and that customer confidentiality is maintained.

(c) *Back-up arrangements are in place for all records held in electronic form or any other records subject to risk of loss. Periodical testing is undertaken for recovery / verification / retrieval of data, as and when required, and that business continuity and disaster recovery systems are in place as per the **Bank's Information Security Policy**.*

(d) A full audit trail (not necessarily paper-based) exists as data is aggregated, summarized or otherwise manipulated in the day-today processes.

2 Management Information: Given the nature, scale and complexity of the business, the management should receive information at the prescribed intervals / periodicity which

(a) discloses periodic financial statements (profit and loss account and balance sheet), (b) contains analysis of significant asset, liability, income, expense and off-balance sheet items, (c) discloses valuation of significant assets / liabilities and off-balance sheet items, (d) discloses financial trends and variance against budgets and prior periods, (e) measures risk positions and comparison of positions against limits, (f) discloses exception reports of limit breaches, (g) gives maturity analysis, (h) discloses risk concentrations, (i) analyses sensitivity reflecting the effect of changes in interest rates or exchange rates, and (j) undertakes age analysis of unsettled transactions / suspense account items / reconciliation items.

3. Transactional data: Given the nature, scale and complexity of the business, the record keeping procedure is to ensure that the data captured for each transaction reflects contents, such as, transaction type, purpose, originator, authorizer, counter-parties, amount/ currency, relevant dates (transaction date, trade date, settlement date, value

date etc.), interest / exchange rates, fees / commissions, collateral taken / given, subordination / guarantees, any other transaction specific characteristics, messages received / sent (both in encrypted and decrypted form for internet banking), authentication of electronic documents (the Bank shall follow the instructions contained in the IT Act 2000 and the rules framed there under from time to time for authentication of records by digital signatures or any other method of authentication as approved by the Bank) and that such data be easily accessible, as and when required, with add on facility.

RECORD RETENTION

Based, on the requirement, record retention periods for all categories of records are given in Annexure. While prescribing various record retention periods, the following aspects have been taken into account:

- (a) Compliance with statutory and regulatory requirements.
- (b) Satisfaction of the needs of RBI inspectors to have access to certain records.
- (c) Satisfaction of the needs of internal and external auditors to have access to certain records.

RECORD MEDIA

The Bankers' Book of Evidence Act , as amended from time to time, permits admissibility of electronic documents in evidence in the courts of law. Hence, control over the conversion process, where the records are converted from paper to non-paper form, is as under:

- (a) Whenever the underlying paper documents are subsequently destroyed and the converted format becomes the prime record, a certificate of authenticity duly signed by the official responsible for overseeing the conversion process, shall be obtained at the time of conversion.
- (b) Records may be maintained / preserved either in paper form or electronic form. However, other formats including microfilm or microfiche / cipher tapes / floppy disks / CD / servers may be used, as per the need of the time.
- (c) While determining the media to be used for preservation of record in any form, i.e. paper form or electronic form or in any other form and conversion of record held in paper

form to electronic / other form or vice versa, the statutory and regulatory requirements are to be complied with. Besides, it is to be ensured that the medium chosen does not conflict with the accessibility required of the relevant records and that the physical conditions under which the records will be stored are conducive of its preservation till the proposed periods of retention.

C. RECORD LOCATION

The records are located at such a place that it is available on a timely basis. Location of current records in the manual form shall be the respective branches / offices. Electronic records shall be kept at the respective branches / offices and / or the nearby off-site location, as may be decided by the Bank from time to time.

D. RECORD DESTRUCTION

For destruction of records upon expiry of the period prescribed in the policy statement, control measures include authorization and approval prior to destruction, establishment of procedures for destruction of electronic media like tapes, floppies, etc. as per the Bank's Policy. The respective offices of the Bank shall maintain record in the registers giving details of the documents in paper / electronic / other form destroyed, along with the date and means of destructions.

Procedure for Removal & Destruction of old records:

1. Old records meant for destruction, all items of record, which are due for destruction including obsolete printed stationery forms / book {excluding security books}, be separated, will be entered in a separate register, in which the following particulars will be recorded, and checked by the Incumbent In-charge/Officer under his initials.

(i) Serial No. (ii) Description of book/ file (iii) Date of commencement (iv) Date of completion (v) Date of destruction (vi) Mode of destruction.

Further after expiry of the stipulated period for maintenance of particular type {s} of record, the same shall be immediately weeded out and destroyed as per rules.

Annually the list of record proposed to be destroyed shall be submitted by concerned office to the Competent Authority for seeking approval.

2. Unless there are instructions to the contrary, old records meant for destruction, will be burnt in the presence of the incumbent in-charge and the officer, who will ensure that the destruction has been completed. Wherever it is possible, such records, as are not of a confidential nature, may be sold to a chemical furnace or paper mill, for being burnt or converted into pulp, under the supervision of the local branch incumbent in-charge.

3. The date and mode of destruction, will be recorded in the register of old records, as well as, in the register used for listing records, meant for destruction, under the certificate of the officers concerned, in both the aforesaid books.

4. After disposal of the records a certificate has to be sent by branch office to the concerned Zone and in respect of Zones/ HO Dept. to H.O GA Department about having destroyed the old records along with details of old record.

Note: No record shall be destroyed where:

- i) The record relating to matters under disputes or on which a dispute is likely to arise:
- ii) Matters on which an action by the bank against a customer or by a customer against the bank is likely to be founded or taken.
- iii) Claim notices received by or garnishee orders served on the Bank or claim cases filed with it in respect of deposits etc. in the name of the third parties or for the balances / securities in the accounts of or articles in safe keeping held in the name of the deceased persons till the claim cases are finally settled or the garnishee orders are vacated.
- iv) A suit which has been filed and decreed, till the decree has been realized in full,
- v) Correspondence to which important or legal reference may have to be made on a future date;
- vi) Any recorded material which is to be preserved for indefinite period under any existing law

5. Applications for sanction to destroy any old books/files not included in the schedules given in the Annexure I should be made by branches to their Zonal Office and by Zonal Office to H.O. Inspection Dept.

Action to be taken at the Zonal Office Level / HO GA Department Level:

- i) As soon as the list is submitted by the branch, ZOs / HO Dept. it has to be scrutinized at the Zonal Office / HO GA Department by the person duly authorized for the same and permission accorded to the branch / ZO/ HO Dept. after due scrutiny of the list submitted by the branch.
- ii) After due scrutiny, Zonal Office / HO GA Department may endorse permission for destruction/disposal by the branch/ ZO/HO Dept.
- iii) After a reasonable time from the date of such permission accorded to the branch/ ZO/ HO Deptt., a reminder has to be sent to the branch/ ZO/HO Dept. as to whether the records permitted to be destroyed are destroyed or not and to call from the branch/ ZO/ HO Deptt. a certificate to that effect

Register to be maintained at Zonal Office / HO GA Deptt.

For the purpose of enabling to know the position at any time, a register is to be maintained which serves as a Watch Register to ensure compliance of the instructions given to the branches/ ZOs/ HO Deptts for elimination of stale records

Inspection and follow-up

When in the inspection report a mention is made about the storage of records and the irregularities therein, the Inspectorate will send a copy of the inspection report to the Zonal Office for follow-up actions.

Such irregularities will have to be taken up with the branch by the Zonal Office and it has to be ensured that the branch rectifies the irregularities within a reasonable time and reports to the Zonal Office.

On a periodical basis, as at the end of January and July the Zonal Office shall furnish the information to HO GA Department in respect of grant of permission for disposal of old records.

F. POLICY REVIEW

The policy shall be reviewed annually in tune with the regulatory guidelines / internal requirements or as and when considered necessary. Policy to be modified in tune with regulatory requirements issued from time to time.

G. SCHEDULE OF RETENTION PERIOD

1. Retention period:

1.1 Retention period relating to Account Opening Forms & related documents, all personal ledgers 'all information / data, whether paper or electronic, relating to payment system application, Outward Clearing Cheques, including the Photocopy of Cheques, sent along with 'Paper to Follow Report' (Applicable where clearing is dealt with under 'Cheque Truncation System), 'Records of Electronic Clearing System', shall for 10 years.

1.2 *Certain records/Emails would now be preserved in Electronic Form the details of records to be preserved in electronic form and Retention period for the same shall be intimated by HO IT Department separately.*

All concerned are advised for meticulous compliance of policy as per details hereunder:

1. Annexure - '1' (page no. 1-6)

(Various retention periods in respect of the manual records for Head Office, Zonal Office, Branch and all other Offices / Administrative Offices)

2. Incumbents of all offices are further advised to ensure that;

(i) As stipulated above, the banks record must be maintained catalogued & indexed.

(ii) If the Zonal Offices / Head Offices, Govt. offices or any agency designated by Bank seeks any information, all assistance be rendered to the said offices.

(iii) Items of Records, which were not have been included in the list of records to be preserved, would continue to be maintained for a period of 10 years.

(iv) Procedural aspects regarding maintaining Records in Electronic Form shall separately be prepared by HO IT Department. Such Records, presently being retained in physical form, shall continue to be maintained for the preservation period prescribed there for.

3. It has been observed that the branches are not disposing of the old record even after the expiry of their prescribed preservation period leading to following difficulties in proper handling of the record:

(a) A lot of space is occupied by the old record meant for destruction after the expiry of the preservation period. Hence, in the absence of adequate space, the current record is not stacked properly.

(b) As the record is not properly segregated (between old and current record), a lot of time is consumed in searching the record required for information / reference purposes, when needed.

(c) Space occupied by the old record cannot be utilized for other productive purposes.

(d) A good amount of time and money is wasted in preserving the old record, which has outlived its utility.

4.1 It is also observed that a large quantity of stationery items have been rendered surplus in view of computerization of all the branches in general and migration to CBS in particular.

4.2 In order to make room for proper upkeep of the current record, the Incumbents Incharge are advised that following steps be taken immediately:

(a) Dispose of the old record which has lived its preservation period and send a confirmation to this effect to their controlling offices within 15 days positively from the date of this circular.

(b) Send details of such stationery items, which are no longer required in their branches, to their controlling offices and the controlling offices, in turn, should make arrangements of dispatching such stationery items at the point of need.

(c) Zonal Offices shall obtain confirmation from the branches under their control positively by 15th February, every year that old record, after the expiry of prescribed preservation period, has been destroyed and the stationery items rendered surplus have been identified and segregated for other branches, as per need.

5. Incumbents In-charge are also advised to ensure that the records are duly catalogued and indexed so that the same could be traced, as and when required.

IMPORTANT NOTE:

A. The branches / offices shall maintain record of: -

(1) All transactions, as may be prescribed from time to time, towards compliance of "Know Your Customer" (KYC) / "Anti-Money Laundering (AML) measures, whether such transactions comprise a single transaction or a series of transactions integrally connected to each other, and where such series of transactions take place within a month.

(2) Preservation, maintenance and elimination of records and files for written off loan accounts

i) Written off loan accounts for which, DICGC claims have already been settled and adjusted to the loan accounts, the loan papers, files, registers etc., be maintained for a period of 5 years from the date of closure and later eliminated, provided there is no chance of recovery.

ii) Written off loan accounts for which, claims have been lodged with DICGC but are pending for settlement, the loan papers, files, registers etc., be maintained for a period of 5 years from the date of settlement of the claim.

iii) Non-DICGC loans (General Category) which, have been fully written off, the loan papers, files and registers for these loan accounts, be maintained for a period of 5 years from the date of closure and later eliminated, provided there is no chance of recovery.

iv) Written off loan accounts for which DICGC claims have already been settled and adjusted to the loan accounts, the loan papers, files, registers etc., be maintained for a period of not less than 5 years from the date of closure of account, of current calendar year.

v) Written off loan accounts for which, claims have been lodged with DICGC but are pending for settlement, the loan papers, files, registers etc., be maintained for a period of not less than 5 years from the date of settlement of the claim of the current calendar year or date of closure whichever later.

vi) Non - DICGC loans (General Category) which, have been fully written off, the loan papers, files and registers for these loans accounts be maintained for a period of not less than 5 years from the date of closure of the account, in the current calendar year.

vii) Any written off loan account in which, fraud has been detected, or investigation is in progress and staff accountability is ascribed, in such cases prior permission be obtained from the competent authority for elimination of records irrespective of the period since they are maintained.

(3) RECORDS OF GOVT. TRANSACTIONS: These shall be preserved as per guidelines for each scheme. Scrolls relating to Government transactions should be preserved to a period not less than 5 years immediately preceding current calendar year and consolidation sheets be preserved to a period not less than 3 years preceding the current calendar year, provided, in the meantime audit of the relative records have been done. In case, audit is not over, records should not be destroyed unless otherwise advised by the appropriate authorities or until audit is completed and related objections if any are settled finally.

1. In the case of documents, it should be from the date on which they cease to be effective.

2. In the case of ledgers and registers it should be from the date of last entry (debit or credit) in such ledger/ Register.

3. The records involved in any investigation/fraud cases should not be destroyed without permission from the competent authority.

(4) Competent Authority for granting approval for destruction of old records:

1 For branches /Offices under Zonal Office: Zonal Office

2 For Zonal Offices / HO Deptts: HO GA Department.

(5) The Bank reserves the right to amend/modify this policy, as and when deemed fit and proper, at its sole discretion. This policy shall be valid till the time of its next review.

PSB Document Handling & Retention Policy