

## **POLICY FOR PRESERVATION OF DOCUMENTS**

*(approved by the Board of Directors in its Meeting held on 9<sup>th</sup> November 2015)*

### **Introduction**

Strengthening the enforcement of compliance with listing obligations, the Securities and Exchange Board of India (SEBI) notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 2<sup>nd</sup> September, 2015. These Regulations are an all-encompassing umbrella Listing Regulations providing listing conditions and disclosure requirements for various categories of securities.

Chapter III of these Regulations, titled "Common Obligations of Listed Entities" enumerates the general obligations of compliance which every listed entity has to abide by.

Specifically, Regulation 9 of the aforesaid Chapter requires a listed entity to have a policy for preservation of documents, approved by the Board of Directors, classifying them in atleast 2 categories as follows: -

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

Records management is a process of ensuring the proper creation, maintenance, use and disposal of records to achieve efficient, transparent and accountable governance. This helps an organization to achieve information accessibility, business enhancement and improvement. With a view to bring economy of space, efficiency in retrieval of documents, separate departments of the organisation follow record/information management systems to suit their requirements.

Nonetheless, embracing the mandate of law and recognizing the significance of a policy statement on the subject, this POLICY FOR PRESERVATION OF DOCUMENTS is set out below:

### **Purpose of this policy**

The Company has statutory responsibilities cast upon it by various applicable laws and regulations such as the Companies Act, 2013, the Income Tax Act, 1961, etc. to keep accurate and sufficient records of its activities and to ensure that such records are adequately preserved and maintained, stipulating periods of time upto how long a record should be maintained as well as rules and guidelines for destruction. This enables the Company comply with its statutory responsibilities under the law.

The purpose of this policy is to broadly state the principles or desirable practices that guide decision making in caring for and preservation of physical and electronic records/ documents to ensure that adequate records are maintained, managed and controlled effectively or disposed of appropriately, commensurate with legal, statutory, operational and information needs and in accordance with relevant legislation.

### **Application of relevant provisions prescribed under various statutes –**

The application of this Policy, shall be in addition to and not in derogation of the rules for the preservation of or destruction of records periods prescribed under various statutes applicable to the Company governing document preservation. Some of the basic categories under which documents / records that can be classified are produced below:

Accounts and Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of deductions, business costs, accounting procedures, and other documents concerning the Company's revenues.

Employment Records/ Personnel Records. The Company should also keep personnel files that reflect performance reviews and any complaints brought against the Company or individual employees under applicable statutes. The Company should also keep all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel in the employee's personnel file.

Press Releases/ Public Filings. The Company should give special consideration while deciding upon retention of copies of all press releases and publicly filed documents under the theory that the Company should have its own copy to test the accuracy of any document a member of the public can theoretically produce against that Company.

Legal Files. Legal counsel should be consulted to determine the retention period of particular documents.

Marketing and Sales Documents. The Company should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three years.

Intellectual Property and Trade Secrets. (e.g., patents and copyrights protected as trade secrets).

The Company should keep all documents designated as containing trade secret information for at least the life of the trade secret.

Contracts. Final, execution copies of all contracts entered into by the Company should be retained. The Company should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

### **Management, Storage and Retrieval of Records**

Prompt retrieval of records is the benchmark of a good record and information management system. Any information/ record/ document should be efficiently retrievable by those with a legitimate right of access.

In order for records to be accessible, it is important that records are created promptly, named, referenced, or indexed appropriately, filed in a suitable location, protected from unauthorised alteration or deleted, maintained over time.

The record should be easily retrievable and filed in such a way that the information can be promptly destroyed when it is no longer needed. Referencing, titling and indexing systems should be logical and easily understandable.

Respective HoDs and senior managers of all departments/ functions are accountable for the quality of records management within the organisation and have a duty to make arrangements for the safe-keeping of the records of their department.

Preservation/ Retention decisions must take into account

- statutory requirements
- business needs
- appraisal for archival value

It is desirable that retention periods, once agreed, are documented and applied consistently for the same types of records across all locations of the organization, and the same is reviewed from time to time to taking account of new legislative or business requirements.

Further, as a basic rule, the documents/ records should be preserved for 1 extra year in addition to the no. of years prescribed for various document/ records preservation by applicable statutes.

### **Destruction and Maintenance of Record of documents destroyed**

From time to time respective HoDs may establish retention or destruction schedules for specific categories of records in order to ensure legal compliance and also to accomplish other objectives such as cost management.

Upon destruction, brief particulars of the records destroyed should be documented and certified by the relevant manager mentioning the date and mode of destruction.

If a record relates to two or more subjects for which different retention periods have been prescribed, it will be retained for the highest of such periods.

While records may be reviewed and weeded out at periodical intervals in the light of the retention periods prescribed to avoid their buildup, the attempt should be to make a continuous and conscious effort throughout the year to weed out unnecessary records.

#### **Exceptions to destruction –**

In the event any Company records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), or in exceptional cases i.e. if the record has certain special features or such a course is warranted by the peculiar needs of the department then such records shall be preserved until it is determined the records are no longer needed.

#### **Storage, transport and security**

Appropriate and secure accommodation should be ensured for all records, wherever they are stored, processed, transported or used. This includes providing suitable environmental conditions and providing appropriate housing. Considerable importance should be placed on the integrity of those records selected for permanent preservation so that they remain accessible both in the present and the long term. It also includes monitoring via pest management programme and other environmental monitoring systems.

#### **Protection of sensitive records from unauthorised access**

Records can contain personal and confidential information which must not be disclosed to unauthorised persons.

Records containing confidential or sensitive information must be secured against unauthorised access. Confidential records in manual format must be held securely in locked secure cabinets or stores.

### **Responsibility**

All staff and managers of organization assist in implementing the preservation policy as appropriate to their roles and responsibilities.

Making and keeping company's records depends on the cooperation of everyone involved in the working of the organization. The individual Departments are requested to ensure that the provisions contained in the Record Retention Schedule which are developed are strictly followed.

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