

GM-P&A
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PERSONNEL & ADMINISTRATION

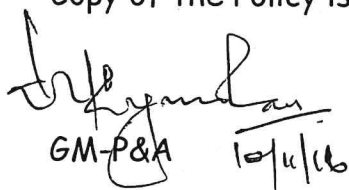
November 10, 2016

All Policy Manual Holders

cc: CMD CVO

Board in its 285th meeting held on October 24, 2016, approved the "PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY - POLICY NO.48" to comply with the requirement of SEBI regulations and provisions of Companies Act, 2013.

Copy of the Policy is enclosed for compliance please.


GM-P&A 10/11/16

Encl : a/a

POLICY - 48

**PRESERVATION OF DOCUMENTS
&
ARCHIVAL POLICY**

PREPARED

BY

PERSONNEL & ADMINISTRATION

MADRAS FERTILIZERS LIMITED

MANALI, CHENNAI 600 068

GROUP : PERSONNEL & ADMINISTRATION	POLICY - 48
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	Issue Date : November 10, 2016
TITLE : PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY	Effective Date : October 24, 2016

1. PREAMBLE

The Securities and Exchange Board of India ("SEBI"), vide its Notification dated September 2, 2015, issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Listing Regulations mandate listed entities to formulate a Policy for preservation and archiving of documents. It is in this context that the Preservation of Documents and Archival Policy is framed.

2. PURPOSE OF THE POLICY

Regulation 9 of the Listing Regulations mandates that a listed entity shall have a policy for preservation of documents, approved by its board of directors, classifying them in at least two categories as follows:

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

Provided that the listed entity may keep documents specified in clauses (a) and (b) in electronic mode. Further Regulation 30 (8) of the Listing Regulations also refers to an archival policy as per which all events or information which has been disclosed to stock exchange(s) under Regulation 30 shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the company. Besides the above, as per applicable provisions of Companies Act, 2013 certain documents are required to be preserved permanently or upto a certain prescribed time. Accordingly this policy is being framed keeping in view particularly the requirements of Listing Regulations and the provisions of Companies Act, 2013.

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3. CLASSIFICATION OF DOCUMENTS TO BE PRESERVED / RETAINED

The classification of documents to be retained and preserved for posterity are as follows:

- Documents that need to be preserved / retained permanently – Doc 1
- Documents that may be preserved / retained for a period of 8 years as specified under the Companies Act, 2013 or Listing Regulations – Doc 2.
- Documents to be preserved electronically and archived when necessary- Doc 3.
- Documents that may be required by judicial proceedings and which may be destroyed after closure of the legal case – Doc 4.
- Documents like budget papers etc., which may be retained for less than 8 years – Doc 5.

4. PRINCIPLE OF RESPONSIBILITY OF EMPLOYEES FOR PRESERVATION OF DOCUMENTS

All the employees in the permanent rolls of the Company are responsible for taking into account the potential impacts on preservation of the documents in their work area and their decision to retain / preserve or destroy documents pertaining to their area. Such policy bestowing responsibility on the Company's employees would immensely help company's litigation preparedness tool helping the Company's and outside legal counsel to track down documents to handle the legal cases.

5. PERIODICAL REVIEW OF THE POLICY BY TOP MANAGEMENT

The Policy should be flexible and easy to understand and comply with by all levels of employees. The policy should be reviewed periodically by the Top Management and amendments effected to subject to approval of the Board if and when practical difficulties are encountered. The Top Management may also review the policy on document retention to comply with any local, state, central legislation that may be promulgated from time to time.

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6. ADMINISTRATION

The Record Retention Schedule for initial maintenance, retention and disposal schedule for physical records is as given in the **Attachment-1**.

7. RIGHT TO ACCESS/RETRIEVE

The Company Secretary and his subordinate (direct report) in the Secretarial Department shall have the right of access to the Listing Records.

8. ARCHIVAL POLICY

Any disclosure of events or information which have been submitted by the Company to the Stock Exchanges under Regulation 30 of the Listing Regulations will be available on the website of the Company for a period of 5 years from the date of its disclosure and shall thereafter be archived from the website of the company for a period of 3 years on the advice of the concerned Functional / Department / Group Head.

9. PERSON RESPONSIBLE

The Company Secretary shall be responsible for ensuring compliance under this Policy.

10. MAINTENANCE OF RECORDS

Department Heads or their delegated representatives must check regularly all records, documents and files in their respective departments.

- i) to weed out unwanted materials; and
- ii) to decide which records other than those having a statutory retention period are to be kept and for how long.

Each Department shall designate an employee of his department who shall assume overall responsibility for

- i) removing records which are to be preserved in the Record Centre, periodically;
- ii) storing records properly; and
- iii) retrieving records

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Only one copy of each record or document has to be retained. As a general rule, only RECORDS ORIGINATING IN THE DEPARTMENT, except third-party record, need be kept.

11. STORAGE OF RECORDS

Records for the current year plus for the preceding year as well as frequently referred records are to be kept in the Department concerned.

Records which are to be retained for more than two years are to be removed to Records Centre at the end of the financial year.

Inactive records shall be sent periodically for incineration. A list of records to be destroyed shall be prepared and approved by the Department Head. Mechanical (Planning) Department will co-ordinate destruction of records with the help of janitors.

Statutory books and records with a permanent retention period will be kept under the safe custody of the General Manager (P&A).

12. RECORDS CENTRE

Storage space for records has been provided in the Technical Building. Records are to be sent to the Centre properly filed or secured and clearly marked as to

- a) Department / Section
- b) Record title and identification number, if any
- c) Range and period covered
- d) Date and mode of disposal

A "TRANSMITTAL LIST" shall be prepared and the shelf location number where the record is stored shall be written on this list.

The Transmittal List shall be consulted while asking for reference service.

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13. RECORDS COMMITTEE

The Chairman and Managing Director shall constitute, at a future date, a Record Committee to study the problem of record retention and preservation. The policy should be reviewed periodically and amendment effected to subject to Board's approval, if and when practical difficulties are encountered. The Committee will consist of the following members:

General Manager (P&A)	- Secretary of the Committee
General Manager (M&D)	- Member
Internal Auditor	- Member
Dy. General Manager (P&A)	- Member
Dy. General Manager (Production)	- Member
Dy. General Manager	- Member
(Materials Management)	
Dy. General Manager	- Member
(Technical Services)	

The Committee will inquire specifically into:

- a) the type of protection needed for records depending on the real value of the records to the Company's business
- b) improvement needed in the policy from time to time due to changes in Central and State Laws.

14. DISPOSAL OF RECORDS

Physical records disposed of pursuant to the preservation periods shall be disposed of using a cross-cut shredder. The Records Section of the respective Departments shall adopt appropriate procedures to permanently dispose of any non-paper physical records, such as photographs or audio / video recordings.

In the event that it is necessary to manually dispose of an electronic record, the MIS Department shall use the "permanent delete" function to permanently dispose of electronic records.

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The concerned Functional / Department / Group Head shall decide the records which are to be destroyed. A list containing details of records destroyed / disposed, date of disposal and mode of disposal shall be maintained.

15. HOLD ON RECORD DESTRUCTION AND DELETION

If a lawsuit or other proceeding involving the Company is reasonably foreseeable, all destruction of any possibly relevant documents, including e-mail, must cease immediately. Documents relating to the lawsuit or potential legal issue will be then retained and organized under the supervision of the Legal Head. In the event of a Document Hold Direction, the MIS Department shall immediately disable the “permanent delete” and “automatic delete” functions of the Company’s software with respect to the designated records and disable the automatic deletion of recycle bins and deleted items folders on appropriate Company computers; the Records Section of the respective Departments shall immediately suspend all disposition of records maintained on-site or off-site location as appropriate; and the Legal Head shall immediately notify all appropriate employees by e-mail that they are not to dispose of relevant Temporary Records or other records until notified otherwise.

16. DISCLOSURE / AMENDMENT

This policy as amended from time to time shall be made available at the website of the Company. The right to interpret / amend / modify this policy vests with the Board of Directors of the Company.

This Policy shall be effective from the date of approval by the Board of Directors.

Attachment-1

TITLE : PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY	POLICY - 48
	ATTACHMENT - 1
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Type of Record

1. Accounting and Finance records including Annual Financial statement
2. Insurance Records
3. Tax Records
4. Contracts entered into by the Company including marketing contracts
5. Corporate Recordings including Certificate of Incorporation, Listing Agreement and other approvals from other statutory authorities
6. Legal Files and Record
7. Property Records
8. Payroll Records
9. Pension and Retirement Related Records
10. Personnel and HR Records
11. Programs & Service Records
12. Corporate Social Responsibility Records
13. Correspondence and Internal Memoranda
14. Electronic Documents including email retention and backup
15. Miscellaneous Records

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1. Accounting and Finance records including Annual Financial Statement

Record Type	Retention Period	Document Type
Accounts Payable ledgers and schedules	8 years	Doc – 2
Accounts Receivable ledgers and schedules	8 years	Doc – 2
Annual Audit Reports and Financial Statements	Permanent	Doc – 1
Annual Audit Records, including work papers and other documents that related to the audit	8 years after completion of audit	Doc – 2
Annual Plans and Budgets	3 years after the budget year is closed	Doc – 5
Bank Statement and Cancelled Cheques	8 years	Doc – 2
Employee Expense Reports	8 years	Doc – 2
General Ledger	Permanent (Soft Copy by MIS)	Doc – 1
Interim Financial Statements	8 years	Doc – 2
Notes Receivable ledgers and schedules	8 years	Doc – 2
Investment Records	Permanent (PF File)	Doc – 1
Security deposit receipt copies	3 years after termination of the contract	Doc – 5

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2. Insurance Records

Record Type	Retention Period	Document Type
Annual Loss Summaries	8 years	Doc – 2
Audits and Adjustments	8 years	Doc – 2
Claim Files (Including correspondence, medical records, injury documentation, etc.)	Permanent	Doc – 1
Group Insurance Plans – Active Employees	8 years	Doc – 2
Group Insurance Plans – Retirees	Permanent	Doc – 1
Insurance Policies for the Company	Permanent	Doc – 1
Journal Entry Support Data	8 years	Doc – 2
Releases and Settlements	Permanent	Doc - 1

3. Tax Records

Record Type	Retention Period	Document Type
Tax Exemption Documents and related correspondence	Permanent	Doc – 1
Excise Tax Records	Permanent	Doc – 1
Payroll Tax Records	8 years	Doc – 2
Tax Bills, Receipts & Statements	8 years	Doc – 2
Tax Returns – Income, Franchise & Property	Permanent	Doc – 1
Tax work paper packages - Originals	8 years	Doc – 2
Sales Tax Records	8 years	Doc – 2
Annual Information Returns – State and Central	Permanent	Doc - 1
Service Tax Records	Permanent	Doc – 1

Responsibility: FINANCE AND ACCOUNTS GROUP

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4. Contracts entered into by the Company including Marketing Records

Record Type	Retention Period	Document Type
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documents)	8 years	Doc-2

Responsibility: RESPECTIVE DEPARTMENTS

5. Corporate Records including Certificate of Incorporation, Listing Agreement and other approvals from other statutory authorities.

Record Type	Retention Period	Document Type
Corporate Records (Certificate of incorporation, commencement of business, listing agreement, common seal, minutes book of board and committees thereof, annual reports originals, etc.)	Permanent	Doc-1
ROC Filings and Stock Exchange filings in physical and Electronic form	5 years from the date of filing	Doc-5
Annual Reports	Permanent	Doc-1

Responsibility: SECRETARIAL DEPARTMENT

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6. Legal Files and Records

Record Type	Retention Period	Document Type
Legal Memoranda and Opinions	3 years after the closure of the matter	Doc-4
Litigation Files	1 year after the expiration of disposal of the case	Doc-4
License and Permits, Industrial entrepreneurial Memorandum, and other statutory approvals	Permanent	Doc-1
Legal contracts, Document of Title, Lease, Mortgage Deeds with related correspondence	Permanent	Doc-1
Other correspondences as Specifically designed by the Department Head or higher authority	Permanent	Doc-1

Responsibility: LEGAL SECTION

7. Property Records

Record Type	Retention Period	Document Type
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent	Doc-1
Original Purchase / Sale Deeds	Permanent	Doc-1
Original Lease Agreements	3 years after expiration of the lease	Doc-5

Responsibility: LEGAL SECTION

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8. Payroll Records

Record Type	Retention Period	Document Type
Employee Deduction Authorization	3 years after termination of service of employment	Doc-5
Payroll Deductions	3 years after termination of service of employment	Doc-5
Labour Distribution Cost Records including details regarding gratuity and retiral disbursements	5 years after termination of service of employment	Doc-5
Payroll Registers (Gross and Net)	5 years after termination of service of employment	Doc-5
Time Cards / Sheets	3 years	Doc-5
Unclaimed Wage Records	5 years	Doc-5
Leave Records	8 years after the relevant period	Doc-2

Responsibility: P&A and F&A GROUPS

9. Pension and Retirement Related Records

Record Type	Retention Period	Document Type
Retirement Records	Permanent	Doc-1

Responsibility: P&A and F&A GROUPS

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10. Personnel and HR Records

Record Type	Retention Period	Document Type
Personnel Files of individual employees	Permanent	Doc-1
Commission / Bonuses/ Incentives/ Awards	8 years	Doc-2
Employee Earning Records	3 years after termination of service of employment	Doc-5
HR Manual	Permanent	Doc-1
Employee Medical Records	3 years after termination of service of employment	Doc-5
Attendance Records, application forms, job or promotion Records, performance evaluations, termination papers, test results, training and qualification records, enquiry related papers	3 years after termination of service of employment	Doc-5
Employment Contracts- Individual	3 years after termination of service of employment	Doc-5
Correspondence with Employment Agencies and Advertisements for job openings	3 years	Doc-5
Job Description	3 years after superseding the earlier document	Doc-5
Other Correspondence as Specifically designated by the Department Head or higher authority	Permanent	Doc-1

Responsibility: P&A GROUP

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11. Programs and Service Records

Record Type	Retention Period	Document Type
Attendance Records	3 years	Doc-5
Program statistics, etc.	3 years	Doc-5
Research & Publications	Permanent	Doc-1

Responsibility: P&A GROUP

12. Corporate Social Responsibility Records

Record Type	Retention Period	Document Type
Records on CSR Projects (Including amount budgeted, spent and balance if any) projects undertaken and progress thereon	Permanent	Doc-1

Responsibility: P&A GROUP

13. Correspondence and Internal Memoranda

General Principle: Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as long as the contract exists.

1. Those pertaining to routine matters and having no significant and lasting consequences should be discarded within two years.
2. Those pertaining to non-routine matters or having significant and lasting consequences should generally be retained permanently.

Responsibility: RESPECTIVE DEPARTMENTS

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14. Electronic Documents including email retention and back up

1. Electronic Mail : Not all email needs to be retained, depending on the subject matters

- All e-mail –from internal and external sources to be deleted after 24 months.
- Staff will strive to keep all but an insignificant minority of their email related to business issues.
- Central I.T team would archive email for six months after the staff has deleted it after which time the email will be permanently deleted.
- Staff will not store or transfer the Company related emails on non-work related computers except as necessary or appropriate with due approvals from central IT team and the respective Managers.
- Staff will take care not to send confidential / proprietary information to outside sources.
- Any e-mail that the staff deemed vital to the performance of their job should be copied to the staff's specific folder and/or printed and stored in the employee's workplace.

2. Electronic Documents including PDF files

- PDF documents – Can be a maximum period of 8 years. But the said document may be destroyed depending upon the completion of the job or its use coming to an end.
- Text/Format files: All word /excel/power point files may be deleted once every year depending on the importance or lack of it.

Document Type: Doc -3

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3. Web page files

- May be retained for a period of 5 years as specified in SEBI's LODR Regulations, 2015.
- May be archived by the I.T. department with the support of the service provider for a period of 3 years after the initial period of five years of live page.

Document Type: Doc-3

Responsibility: MIS DEPARTMENT

15. Miscellaneous Records

Record Type	Retention Period	Document Type
Consultant Reports	3 years	Doc-5
Policy and procedures manuals-Original	Current version with revision history	Doc-1
Policies and procedures manuals –Copies	Retain current version only	Doc-5
Dealership agreements	Current version with revision history	Doc-5

Responsibility: P&A GROUP

