

HILTON METAL FORGING LIMITED

701, PALM SPRING, PALMCOURT COMPLEX,
LINK ROAD, MUMBAI - 400064

POLICY ON PRESERVATION OF DOCUMENTS

HILTON METAL FORGING LIMITED

Policy on Preservation of Documents

1. PURPOSE

Hilton Metal Forging Limited (“the Company”) 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 by Circular resolution dated 11th February, 2016 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:

- Whether the records are statutory documents required by the various regulatory authorities from time to time?
- Whether the information contained in the document is generally available?
- Whether the values possessed by the records is purely informational or of some intrinsic value?
- 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 methods 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 depending upon the importance of retention.

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.
- iv. 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. Location of storage:

The preservation location will be the concerned department. If the location is other than the concerned department, the same should be documented and kept in a file for reference purpose in the respective department. In case of critical documents which need to be preserved for very long periods or permanently, the same shall be preserved in fire proof or other such secure cabinets.

VII. 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.

ANNEXURE - RETENTION SCHEDULE

Sr. No	Record Category	Record Type	Minimum Retention Requirement
1	Board Meeting and Committee Meeting Records	<ol style="list-style-type: none"> 1. Agenda 2. Internal Audit Reports 3. Board Resolutions 4. Committee Resolutions 5. Board Minutes 6. Committee Minutes 7. Adopted Policies/ codes etc. 8. Attendance Registers. 	Permanent
2	General Meeting Records	<ol style="list-style-type: none"> 1. Registers and Index of Members. 2. Minutes 3. Attendance Registers 	Permanent
3	Other Secretarial Records	Certificate of incorporation/ conversion/ business commencement/ change in object clause	Permanent
		Share Transfer, transmission ,correspondence with the Registrar and Share Transfer Agent	8 yrs
		Memorandum and Articles of Association	Permanent
		Annual Report	10 yrs
		Common seal	Permanent
		Correspondence with Statutory Bodies.	8 years
		Non- Statutory Registers under the Companies Act, 2013	8 years from the financial year in which the latest entry is made.
		Correspondence with Security holders	5 years from the date of compliant resolved.

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		Copies of Annual Returns along with certificates and documents annexed thereto	8 years from the date of filing with Registrar.
4	Insurance Records	<ol style="list-style-type: none"> 1. Insurance policy execution/ renewal certificate. 2. Insurance claims under various policies. 	5 years
5	Contracts/ Agreements/ purchase orders of Materials	<ol style="list-style-type: none"> 1. Original/Renewal 2. Modification /addendums 3. Termination. 4. Notices. Etc. 	3 years
6	SEBI & Stock Exchange Records	<ol style="list-style-type: none"> 1. Listing Agreement. 2. Concurrent Audit Reports 3. Auditors report. 4. Disclosure in newspaper 5. Correspondence with Statutory bodies. 6. Quarterly/ Half yearly/ Annually/ Other compliances submitted from time to time 7. Statutory Returns/ Reports submitted from time to time. 	10 years
7	Licenses obtained from the Statutory Liasoning Authorities	All material Test Certificates / Material Inspection Registers / Contract Documents / Good Construction Drawings.	10 years
		All kind of Approvals from Municipality /Regulatory offices related to Construction activities for all the projects.	Permanent
8	Property Records	<ol style="list-style-type: none"> 1. Agreements/ contracts 	Permanent

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		2. Documents relating to acquisition and Sale of Property	
9	Legal Records	1. Legal Memoranda and Opinions (including all subject matter files)	Permanent
		2. Arbitration and Litigation Files	
		3. Court Orders	
		4. Loan sanction documents including correspondence with Clients and duly signed application forms received from Client	
		5. Equitable Mortgage Register	
		6. Legal Contracts	
		7. Legal Correspondence	
		8. Files, papers and documents relating to contracts, agreements etc.	
		9. All confidential Agreements of Non-Disclosure nature	
10	Personnel Records	1. Official Personnel files of Active Employees. 2. Official Personnel files of Inactive Employees.	} Permanent
11	Labour Law records	Registration/Renewal Certificate under Various Acts relating to Labour Laws.	
		Maintenance of various registers under the various acts in force read with the Rules made thereunder, relating to Labour Laws	7 years
		Provident Fund Records	7 years
		ESIC Records	7 years
		Professional Tax Records	7 years

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		Labour Welfare Fund Records	7 years
12	Recruitment records	Reject profiles records	3 years
		Hold and S/L records	3 years
		Other Filing / Records	Permanent
		1. Policies / Contracts / Agreement	5 years
		2. IOM, Circular and General Files	7 Years
		3. Appraisal records / Bonus / Holiday	7 Years
		4. HR Reports	7 Years
		5. Other filing records	7 years
13	Tax filings & Returns & other relevant thereto.	1. Direct & Indirect Tax returns & Assessment Orders	Permanent
		2. Correspondence letters / Notices / confirmations / declarations submitted to Income Tax Department	Till the completion / disposal of case/ Litigation or 10 years whichever is later.
		3. Documents relevant to litigations	Till the completion/disposal of case/Litigation or 10 years whichever is later.
		4. Registration Certificates/Pan Card	Permanent
14.	Information Technology	1. Original Licenses obtained for Software	Permanent
		2. Service reports	1 year

15. Administration Record details

Sr. No	Record type	Retention period
1	<p>Issue Receipts/Payment details, Warranty Cards, Correspondences related to purchase of any Electronical Instruments</p> <p>Copy of Service Contracts /Proof of payment to contracters</p> <p>Bills of Electricity /Fuel bills for Company Vehicle/Rental Bills of all the Company premises.</p> <p>Travel Receipts and Foreign Currency exchange receipts</p> <p>General Correspondence</p> <p>Vehicle Loan papers</p>	<p>3 years</p> <p>3 years after the vehicle is sold out</p>
2	<p>Insurance: Documents for Vehicle Insurance, Mediclaim, Personal Accident & All kinds of policies for labour/Employees</p>	5 years
3	<p>Original Documents of Immovable Assets</p> <p>Birth & Death Certificates of Directors</p> <p>Shop & Establishment Certificate</p>	<p>} Permanent</p>

16. Accounting and Finance

Sr. No	Record type	Retention period
1	Primary books of accounts of Holding Company and Subsidiary Company, like Petty cash, Cash Book, Bank Book, Journal, Purchaser Register, Sales Register, Ledgers, Trial Balance 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	Minimum up to 8 Years and Maximum up to 10 years.
2	Financial Statements of Holding Company and subsidiary Company, consisting of Balance Sheet as at the end of the financial year, Profit and Loss, Cash Flow statement, statement of changes in equity, explanatory notes to financial statements, Auditors Report, Directors Report, Corporate Governance Report.	Permanent. All the Financial year since inception.
3	Records relating to subsidiary Project site will be kept at Site Office and the consolidation accounts will be maintained at Head Office.	Minimum 8 years and Maximum 10 years.
4	Internal Audit: Internal Audit Reports/Standard Operating Procedure/MIS	Permanent

Signed:

Sd/-	Sd/-	Sd/-
Mr. Yuvraj Malhotra Chairman & Managing Director	Mr. Navraj Malhotra Whole Time Director	Mrs. Diksha Malhotra Director
Sd/-	Sd/-	Sd/-
Mr. Joseph McKay Director	Mr. Harmohindarsingh Dhingra Independent Director	Mr. Sanjay Jain Independent Director
Sd/-		
Mr. Manoj More Independent Director		

Dated: 11.02.2016

