



# SAMBANDAM SPINNING MILLS LIMITED

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## **POLICY ON PRESERVATION AND ARCHIVAL OF DOCUMENTS**

### **PREAMBLE**

This Policy has been formulated in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **PURPOSE**

Purpose of this Policy is to ensure that the Company retains its official documents & records in accordance with the applicable laws and regulations and to ensure that the official records that are no longer needed are destroyed at the appropriate time. This Policy provides guidelines concerning the length of time official records should be retained under ordinary business circumstances, as well as the steps that the Company should take in the event of any pending or imminent government (Central or state ) investigation, audit or proceeding, or any civil or criminal lawsuit involving the Company.

### **SCOPE**

This policy applies to all official documents and records generated in the ordinary course of business of the Company including but not limited to:

- typed, or printed hardcopy (i.e., paper) documents ;
- electronic records and documents (e.g., email, Web files, text files, PDF files) ;
- video or digital images ;
- graphic representations ;
- electronically stored information contained on network servers and/or document management systems ; and
- recorded audio material (e.g., voicemail)

### **DEFINITIONS**

For the purpose of this policy references to the following shall be construed as

- “**Applicable Law**” shall mean the Companies Act, 2013 and the rules framed there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and include any other statute, law, standard, regulation or other direction or instruction of the Government with the amendments thereto as may be applicable to the Company from time to time.

- **“Board”** means Board of Directors of the Company ;
- **“Company”** refers to Sambandam Spinning Mills Limited ;
- **“Compliance Officer”** shall mean Company Secretary of the Company ;
- **“LODR”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ;
- **“Policy”** means the contents herein including any amendment made to that policy by the Board of Directors of the Company.

All other terms not defined herein shall take their meaning from the Applicable Law.

### **EFFECTIVE DATE**

This Policy as approved by the Board of Directors will be effective from 1<sup>st</sup> December, 2015.

### **DOCUMENT CATEGORY**

The documents to be preserved and retained are categorized as follows:

- Documents that need to be preserved / retained permanently
- Documents that may be preserved / retained for a specified period as stipulated under the provisions of Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or other applicable laws and regulations ;
- Documents to be preserved electronically and archived when necessary ;
- Documents that may be required for judicial proceedings and which may be destroyed after closure of the legal case ;
- Documents that are required to be preserved based on their necessity.

### **ADMINISTRATION**

The Record Retention Schedule approved by the Board of Directors for initial maintenance, retention and disposal schedule for physical records are as given in the annexure.

### **RESPONSIBILITY OF EMPLOYEES FOR PRESERVATION OF DOCUMENTS**

All the Employees 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 and preserve the documents pertaining to their area. Such policy bestowing the responsibility on the Company's employees would immensely help the Company's preparedness for handling any litigation, enabling the Company and the outside legal counsel to track down all required documents to handle the legal cases till their logical conclusion.

## **SUSPENSION OF RECORD DISPOSAL IN THE EVENT OF LITIGATION OR CLAIMS**

In case the Company is served with any notice for request of documents or any employee becomes aware of a government directed investigation or audit concerns or commencement of any litigation against the Company, such employee shall inform the Management and any further disposal of documents shall be suspended forthwith until such time the Management, with the due advice of the legal counsel, determine otherwise. The Management in such case shall inform all the employees by email under "User list" of the need to retain the documents and suspension of disposal of the relevant documents.

## **DISCLOSURE OF THE POLICY**

This policy shall be hosted in the website of the Company in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **REVIEW OF THE POLICY**

This policy will be subject to review as may be deemed necessary and to comply with any regulatory amendment or statutory modification and subject to the approval of the Board of Directors of the Company.

## **ANNEXURE**

### **Accounting and Finance records including Annual Financial statement**

Record Type	Retention Period
Accounts Payable ledgers and schedules	8 Years
Accounts Receivable ledgers and schedules	8 Years
<b>Annual Audit Reports and Financial Statements</b>	<b>Permanent</b>
Annual Plans and Budgets	8 years after the closure of budget year
Bank Statement and Cancelled Cheques	8 years
Employee Expense Reports	8 years
<b>General Ledger</b>	<b>Permanent</b>
Interim Financial Statements	8 years
Notes Receivable ledgers and schedules	8 years
<b>Investment Records</b>	<b>Permanent</b>
Security deposit receipt copies	8 years after termination of the contract

### **Tax records**

Record Type	Retention Period
<b>Tax-Exemption Documents and related correspondence</b>	<b>Permanent</b>
Payroll Tax records	8 years
Tax Bills, Receipts, Statements	8 years
<b>Tax Returns with all annexures</b>	<b>Permanent</b>
Tax work paper packages - Originals	8 years
Sales Tax Records- VAT, CST	8 years
<b>Annual Information Returns – State and Central</b>	<b>Permanent</b>
Service Tax Records	8 years

### Contracts entered into by the Company including Marketing Records

Record Type	Retention Period
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supporting documents)	8 years

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

Record Type	Retention Period
<b>Corporate Records (certificate of incorporation, commencement of business, listing agreement, common seal, minutes book of board and committees thereof, annual reports originals, etc.)</b>	<b>Permanent</b>
<b>Licence and Permits, Industrial entrepreneurial Memorandum, and other statutory approvals</b>	<b>Permanent</b>
ROC Filings and Stock Exchange filings in physical and Electronic form	8 years from the date of filing

### Legal Files and Records

Record Type	Retention Period
Legal Memoranda and Opinions	8 years after the closure of the matter
Litigation files	8 years after expiration of disposal of the case
<b>Court Orders</b>	<b>Permanent</b>

### Property Records

Record Type	Retention Period
<b>Correspondence, Property Deeds, Assessments, Licenses, Rights of Way</b>	<b>Permanent</b>
<b>Original Purchase / Sale Deeds</b>	<b>Permanent</b>
Original Lease Agreements	8 years after expiration of the lease

### Payroll Records

Record Type	Retention Period
Payroll Deductions	8 years after termination of service of employment
Payroll Registers (Gross and Net)	8 years after termination of service of employment
Time Cards / Sheets	8 years
Leave Records	8 years after the relevant period

### Personnel and HR Records

Record Type	Retention Period
<b>Personnel Files of individual employees</b>	<b>Permanent</b>
Commission / Bonuses / Incentives / Awards	8 years
Employee Earnings Records	8 years after termination of service of employment
Employee Medical Records	8 years after termination of service of employment
Attendance records, application forms, job or promotion records, performance evaluations, termination papers, test results, training and qualification records, enquiry related papers	8 years after termination of service of employment
Employment Contracts - Individual	8 years after termination of service of employment
Job Description	8 years after superseding the earlier document

## Corporate Social Responsibility Records

Record Type	Retention Period
<b>Records on CSR Projects(including amount budgeted, spent and balance if any) projects undertaken and progress thereon</b>	<b>Permanent</b>

## 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 through out the period of the contract

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

## Electronic Documents including email retention and back up

1. Electronic Mail : E-mails need 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 insignificant matters contained in the email related to business issues may be deleted.
  - 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 the Central IT team and the respective Managers.
  - 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 employees' workplace.
2. Electronic Documents including PDF files.
  - PDF documents – Can be retained for 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 / Formatted files : All word / excel / Power point files may be deleted once every year depending on the importance or lack of it.
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.

## Miscellaneous Records

Record Type	Retention Period
Consultant Reports	8 years
Policy and procedures manuals – Original	Current version with revision history
Policies and procedures manuals - Copies	Retain current version only
Dealership agreements	Current version with revision history
<b>Annual Reports</b>	<b>Permanent</b>