



KANDAGIRI SPINNING MILLS LIMITED

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POLICY ON PRESERVATION AND ARCHIVAL OF DOCUMENTS

PREAMBLE

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

PURPOSE

The 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 purposes of this policy references to the following shall be construed as

“**Applicable Law**” shall mean the Companies Act, 2013 and the rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and include any other statute, law, standards, regulations or other governmental instruction 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 Kandagiri Spinning Mills Limited.

“**Compliance Officer**” shall mean Company Secretary of the Company.

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“**LODR**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

“**Policy**” means the contents herein including any amendments made by the Board of Directors of the Company.

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

EFFECTIVE DATE

This Policy as approved by the Board of Directors shall become effective from 01st December, 2015.

DOCUMENT CATEGORY

The documents need 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 by 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

PRINCIPLE OF 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/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.

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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 governmental 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 until such time as the Management with the due advice from the legal counsel determine otherwise. The Management in such case shall inform all the employees by mail under "Userlist" of the need to retain the documents and suspension or disposal of the same

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 shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.

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 |
| Annual Audit Reports and Financial Statements | Permanent |
| Annual Plans and Budgets | 8 years after the budget year is closed |
| Bank Statement and Cancelled Cheques | 8 years |
| Employee Expense Reports | 8 years |
| General Ledger | Permanent |
| Interim Financial Statements | 8 years |
| Notes Receivable ledgers and schedules | 8 years |
| Investment Records | Permanent |
| Security deposit receipt copies | 8 years after termination of the contract |

Tax records

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

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

| Record Type | Retention Period |
|--|---------------------------------|
| Corporate Records (certificate of incorporation, commencement of business, listing agreement, common seal, MOA & AOA minutes book of board and committees thereof, annual reports originals, etc.) | Permanent |
| Licence and Permits, Industrial entrepreneurial Memorandum, and other statutory approvals | Permanent |
| 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 year after expiration of disposal of the case |
| Court Orders | Permanent |

Property Records

| Record Type | Retention Period |
|--|---------------------------------------|
| Correspondence, Property Deeds, Assessments, Licenses, Rights of Way | Permanent |
| Original Purchase / Sale Deeds | Permanent |
| 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 |
|--|--|
| Personnel Files of individual employees | Permanent |
| 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 |
|---|------------------|
| Records on CSR Projects(including amount budgeted, spent and balance if any) projects undertaken and progress thereon | Permanent |

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

1. Those pertaining to routine matters and having no significant, lasting consequences should be discarded within 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 : 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 the 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 employees' 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/ 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 |
| Annual Reports | Permanent |

