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## **POLICY FOR PRESERVATION OF DOCUMENTS**

### **PREAMBLE**

The Board of Directors (the Board) of Simplex Mills Company Limited (the Company) at its meeting held on 6<sup>th</sup> November, 2015 approved the Company's Policy on the Preservation of Documents (the Policy). The provisions of this Policy are designed to govern the preservation of Documents/ Records of the Company either in Physical form (Hard Copy) or Electronic form (Soft Copy).

The Securities and Exchange Board of India (SEBI) vide its notification dated 2<sup>nd</sup> September, 2015 has notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). In terms of Regulation 9 of the said Listing Regulations the Policy has been formulated and posted on the web-site of the Company.

### **OBJECT AND PURPOSE**

The purpose of this Policy is to:

- a) ensure that all the necessary documents and records of the Company are adequately protected and preserved as per the statutory requirements and;
- b) ensure that the records of the Company which are no longer needed or are of no value are discarded after following the due process for discarding the same;
- c) determine the preservation period all the necessary documents and records of the Company based on their value and statutory requirements; and
- d) ensure that an unwanted documents and records of the Company do not occupy storage space;
- e) This Policy is also for the purpose of aiding employees of the Company in understanding their obligations in retaining and preserving the documents and records which are required to be maintained as per the applicable statutory and regulatory requirements.

## DEFINITIONS

In this policy unless the context otherwise requires:

**“Act”** shall mean the Companies Act, 2013 and the Rules and Regulations notified thereunder.

**“Board of Directors”** or **“Board”** in relation to the Company means the collective body of the Directors of the Company.

**“Company”** means Simplex Mills Company Limited (SMCL).

**“Directors”** means Directors of the Company.

**“Documents”** includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form;

**“Electronic Form”** with reference to information means any information generated, sent, received or stored in media, magnetic, optical, computer memory, micro film, computer generated micro fiche or similar device.

**“Financial Year”** shall have the same meaning as defined in the Act.

**“Key Managerial Personnel” (KMP)** in relation to a Company means

- i. the Chief Executive Officer, or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-time director;
- iv. Chief Financial Officer; and
- v. such other officer as may be prescribed under the Act.

**“Senior Management Personnel”** mean employees of the company who are members of its core management team excluding Board of Directors including the functional / vertical heads.

**“SEBI Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

The words or expressions used but not defined herein, but defined under Companies Act, 2013 or the SEBI Regulations shall have the same meaning assigned therein.

## ROLE AND RESPONSIBILITY

The departmental head including the functional / vertical heads of the Company will be responsible for the maintenance, preservation and disposal of the documents and records in respect to their department. The departmental head may preserve the documents and records either physical form or in electronic form. The following

**Annexure –A** is a document preservation schedule the approved as the initial Schedule for the maintenance, preservation and disposal of the documents and records of the Company. The departmental heads are authorised to make modifications to the schedule from time to time to ensure that it is in compliance with local, State and Central Laws and monitor compliance with this Policy.

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.

### **PROCEDURE FOR DISPOSAL OF DOCUMENTS**

The Documents of the Company which are no longer required as per the time schedule prescribed in the above Annexure – A may be destroyed. The departmental head may direct Employees in charge from time to time to destroy the documents and records of the Company which are no longer required as per the Schedule. The details of the documents and records of the Company destroyed by the Company shall be recorded in the Register for Disposal of Records to be kept by Employees who are disposing of the Documents in the format prescribed at **Annexure B**.

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

In the event the Company is served with any Notice for documents from any of the Statutory Authorities or any Litigation is commenced by or against the Company, then the disposal of documents which are subject matter of Notice/Litigation, etc. shall be suspended till such time the matter is settled or resolved or disposed of. The departmental head shall immediately inform Employees in charge of the Company for suspension of further disposal of documents.

### **GENERAL**

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

**DOCUMENT PRESERVATION SCHEDULE****PRESERVATION PERIOD**

The preservation period starts with the conclusion of financial year, in which the document has been formed or the last entry was made; the preservation period of agreements starts with the end of the financial year in which the agreement period expires.

<b>CORPORATE RECORDS</b>		
<b>Sr. No.</b>	<b>Record Type</b>	<b>Preservation Period</b>
<b>Documents to be retained Permanently</b>		
1	Common Seal Permanent	Permanently
2	Minutes Books of Board, General Meetings and Committees Meetings	Permanently
3	Statutory Registers	Permanently
4	License and Permissions	Permanently
5	Statutory Forms except for routine compliance	Permanently
6	Scrutinizers Reports	Permanently
7	Register of Members	Permanently
8	Index of Members	Permanently
<b>Documents to be retained for a minimum period of Eight Years</b>		
9	Annual Returns	8 years from the filing with the Ministry of Corporate Affairs
10	Board Agenda and supporting documents	8 years
11	Attendance Register	8 years
12	Office copies of Notice of General Meeting and related papers	8 years
13	Office copies of Notice of Board Meeting / Committee Meeting, Agenda, Notes on Agenda and other related papers	8 years
<b>Miscellaneous</b>		
14	Register of Debenture-holders, if any	15 years after the redemption of
15	Index of debenture-holders, if any	15 years
<b>ACCOUNTS &amp; FINANCE</b>		
<b>Sr. No.</b>	<b>Record Type</b>	<b>Preservation Period</b>
<b>Documents to be retained Permanently</b>		
1	Annual Audit Reports and Financial Statements	Permanent
<b>Documents to be retained for a minimum period of Eight years</b>		

2	Annual Plans and Budgets	8 years after completion of Audit
3	Books of Accounts, Ledgers and Vouchers	8 years from the end of Financial Year
4	Bank Statements	8 years
5	Investment Records	8 years
<b>Miscellaneous</b>		
1	General Correspondence	3 years
<b>TAX RECORDS</b>		
<b>Sr. No.</b>	<b>Record Type</b>	<b>Preservation Period</b>
<b>Documents to be retained Permanently</b>		
1	Tax Exemption and Related documents	Permanent
2	Tax Bills, receipts and payments	Permanent
<b>Documents to be retained for a minimum period of 8 years</b>		
1	Excise Records	8 years from the end of the Financial Year or completion of assessment under the applicable law is over whichever is later.
2	Tax Deducted at Source	8 years from the end of Financial Year or completion of assessment under the applicable law is over whichever is later.
3	Income Tax Records	8 years from the end of Financial Year or completion of assessment under Income Tax whichever is later
4	Service Tax Records	8 years from the end of Financial Year or completion of assessment under Service Tax whichever is later
<b>LEGAL FILES AND RECORDS</b>		
<b>Sr. No.</b>	<b>Record Type</b>	<b>Preservation Period</b>
<b>Documents to be retained Permanently</b>		
1	Court Orders	Permanent
<b>Documents to be retained for a minimum period of 8 years</b>		
2	Contracts, Agreements and Related correspondence (including any proposal that resulted in the contract and other supportive documentation)	8 years after termination or expiration of contracts
<b>Miscellaneous</b>		
3	Legal Memorandum and Opinions including subject matter files	3 years after the close of matter
4	Litigation files	3 years after the close of matter
<b>PROPERTY RECORDS</b>		
<b>Sr. No.</b>	<b>Record Type</b>	<b>Preservation Period</b>
<b>Documents to be retained Permanently</b>		

1	Original Purchase and Sale Agreement	Permanent
2	Property Card, Index II, Ownership records issued by Government Authority	Permanent
3	Property Insurance	Permanent
<b>PROJECT RECORDS</b>		
<b>Sr. No.</b>	<b>Record Type</b>	<b>Preservation Period</b>
<b>Documents to be retained Permanently</b>		
1	Project Documents and Related correspondence (including any proposal of the Project and its approval )	Permanent
<b>CORRESPONDENCE AND INTERNAL MEMO</b>		
<b>Sr. No.</b>	<b>Record Type</b>	<b>Preservation Period</b>
<b>Documents to be retained Permanently</b>		
1	Those pertaining to non-routine matters or having significant lasting consequences	Permanent
<b>MISCELLANEOUS</b>		
2	Correspondence and memoranda pertaining to routine matters and having no significant impact, lasting consequences e.g. <ul style="list-style-type: none"> <li>• Routine letters, notes that require no acknowledgement or follow-up, such as inter office memo, letters for transmittal</li> <li>• and plans for Meetings;</li> <li>• Letters of general enquiry and replies that complete cycle of correspondence;</li> <li>• Letter of compliant requesting specific actions that have no further value after change of name or address;</li> <li>• Other letters of inconsequential subject matter or that definitely close correspondence to which no further reference will be necessary.</li> </ul>	3 years
<b>INSURANCE RECORDS</b>		
<b>Sr. No.</b>	<b>Record Type</b>	<b>Preservation Period</b>
<b>Documents to be retained permanently</b>		
1	Insurance Policies	Permanent
<b>Documents to be retained for a minimum period of 8 years</b>		
2	Journal Entry support data	8 years
3	Inspections Reports	8 years
<b>MISCELLANEOUS</b>		
4	Claims records	Till settlement is over and claim money

5	Group Insurance Plans	Until plan is amended or terminated
<b>PERSONNEL RECORDS</b>		
<b>Sr. No.</b>	<b>Record Type</b>	<b>Preservation Period</b>
<b>Documents to be retained permanently</b>		
1	Payroll Registers	Permanent
2	Bonus, Gratuity and other Statutory Records	Permanent
<b>Documents to be retained for a minimum period of 8 years</b>		
3	Time office Records and Leave Cards	8 years
4	Unclaimed Wages Records	8 years
5	Employees Information Records	8 years after separation
Miscellaneous		
1	Employees Medical Record	3 years after separation
<b>ELECTRONIC RECORDS</b>		
<p><b><u>Electronic Mail</u></b></p> <ul style="list-style-type: none"> <li>• All e-mails received from Internal and External Sources may be deleted after 8 years.</li> <li>• Employees will strive to keep their e-mails related to business issues.</li> <li>• All Emails related to business issues should be downloaded to a server or user directory on server.</li> <li>• Employees are requested to take care not to send proprietary or confidential internal e-mails to outside sources.</li> <li>• All e-mails of Employees which are important should be copied to the employees' folder.</li> </ul> <p><b><u>Web Page Files : Internet cookies</u></b></p> <p>All workstations Internet Explorer should be scheduled to delete Internet cookies once per month. The Company does not automatically delete electronic files beyond the date specified in the Policy. It is the responsibility of all Employees to adhere to the guidelines specified in this Policy. Each month the Company will run backup copy of all Electronic files including email on servers.</p> <p>This backup is safeguard to retrieve lost information within 1 year retrieval period should the documents on network experience problems. The backup copy is considered a safeguard for the record retention system of the Company.</p> <p>In certain cases document will be maintained both paper and electronic form.</p>		

**REGISTER FOR DISPOSAL OF RECORDS**

<b>Sr.No.</b>	<b>Particulars of documents destroyed</b>	<b>Date and mode of destruction with the initials of the Department Head or other Authorized Person</b>
1		
2		
3		
4		
5		
6		
7		