

THAMBBI MODERN SPINNING MILLS LIMITED

Registered Office: Omalur Road, Jagir Ammapalayam, Salem-636 302

Corporate Identity Number (CIN): L 17111TZ1977PLC000776

Website: www.thambbimodern.com, Email : tmsml@ymail.com

Tel: 0427-2345425

POLICY ON PRESERVATION OF DOCUMENTS 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**” means Thambbi Modern 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 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 1st 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 ;

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.

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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.

DOCUMENTS WITH PRESERVATION PERIOD OF NOT LESS THAN EIGHT (8) YEARS AFTER COMPLETION OF THE RELEVANT TRANSACTIONS
6.0 Accounts Records:

6.1. All books of account, vouchers, supporting documents, payroll records, insurance related records, internal audit reports etc. shall be kept in good order and proper physical condition for a period not less than eight (8) financial years immediately preceding a financial year or after completion of assessment under the applicable law, whichever is later. The books and papers of a company which has been amalgamated with, or whose shares have been acquired by, another company shall not be disposed of without the prior permission of the Central Government. Records under FEMA / Prevention of Money Laundering (Maintenance of Records) Rules, 2005 shall be retained for a period of Ten (10) years.

6.2 Filings & Returns: Filings and returns that are required to be maintained, not permanent in nature, under the provisions of the Companies Act, 2013 / SEBI Regulations / other laws, for a period not less than eight (8) financial years immediately preceding a financial year. 6.2 Tax Records: Tax records includes records of income tax, TDS, goods and service tax, customs duty but are not limited to Documents concerning tax assessment, tax filings, tax returns, proof of deductions, payment challans, invoices, tax audit reports, appeal preferred against any claim made by the relevant tax Authorities. Tax Records shall be maintained for a minimum period of eight (8) years from the end of Financial Year or up to the year of assessment/ disposal of appeal by appellate authority whichever is later, as the case may be. Where the assessment in relation to any year has been reopened, in such case all the books of account and documents shall continue to be kept till the assessment so reopened has been completed or till appeal for reopening the issue is dismissed by judiciary as time barred or it is finally settled at Supreme Court. Transfer Pricing documents and information must be maintained for a period of eight (8) years from the end of the relevant assessment year i.e., for a total period of ten (10) previous years.

6.3 Legal Documents: Legal Documents which include, but shall not be limited to, legal memoranda and opinions, pleadings, litigation files, documents relating to cases pending in any Court or Tribunal or any other Authority

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empowered to give a decision on any matter shall be retained till Orders passed by any Court or Tribunal or any Authority or Judgment which are final in nature and cannot be superseded.

Property documents, where the rights in such property cease to exist, shall be retained for a period of eight (8) years after the rights in such property cease to exist. Interim Orders shall be retained till a Final Order is received or for a period of eight (8) years whichever is higher. Contracts, licenses, loan documentation, charge creation documents, guarantees, indemnities, joint venture agreements, shareholders agreements, other agreements etc., shall be retained for eight (8) years after the expiry of the term or its validity. Tender documents shall be retained for a period of eight (8) years after the expiry of the term of the contract.

6.4 Employment Records / Personnel Records: office order file, recruitment, employment and personnel information, performance reviews, memoranda and correspondence, complaints, actions taken, transfers, postings, re-designations, Promotion orders, Appraisal records/ Assessment sheets, Leave records till the employees on rolls or eight (8) years from the date of separation whichever is higher.

6.5 Press Releases: Press Release shall include, but shall not be limited to, any intimation given to the press regarding financial results, Board and General Meetings, performance of the Company, other statutory announcements. The Company shall retain all Press Releases for at least eight (8) years.

6.6 E-mails: E-mail Archival Policy of the Company will be applicable to all the emails of employees under which, inter alia, users' emails are archived automatically for backup and retained in Enterprise Vault for three (3) years. Account holders are responsible for maintaining a copy of the item in the appropriate file if the time is required to be retained beyond three (3) years.

DOCUMENTS WITH PRESERVATION PERIOD SPECIFIED BY STATUTORY AUTHORITIES UNDER APPLICABLE LAWS

7.0 Information in Website: Disclosures made by the company to the stock exchanges shall be hosted on the website of the company for a minimum period of five (5) years under Listing Regulations. Upon completion of five (5) years period such disclosures shall be removed from the website of the Company under this Policy of the Company

7.1 Specified Orders: Notwithstanding anything contained in this Policy, if a higher period of retention of documents is stated in any Act / Statute or prescribed by Statutory Authorities in the form of orders, direction or otherwise, such higher period becomes applicable.

8 DOCUMENTS WITH PRESERVATION PERIOD SPECIFIED UNDER ANY OTHER POLICY OF THE COMPANY OR DULY APPROVED BY THE MANAGEMENT / FUNCTIONAL / STRATEGIC BUSINESS UNIT HEAD / ENTITY HEAD AS PER THE BUSINESS NEEDS OF THE COMPANY OR DELEGATION OF AUTHORITY

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In cases of documents not specifically stated or falling under the general principle of the documents covered by this Policy, such documents may continue to be preserved as per the process in existence in respective department.

9 GENERAL EXCEPTION TO PRESERVATIONSCHEDULE

If there are reasons to believe, or the Company informs the employee concerned, that Company records are relevant for potential litigation (i.e., a dispute that could result in litigation), then the employee must preserve those records until the Legal or Respective Department determines that the records are no longer needed.

10 RECORD MAINTENANCE AND STORAGE

10.1 All Documents must be properly classified, filed, labeled, indexed and stored by the respective departments.

10.2 The head of each concerned Strategic Business Units (SBU) / entities at respective locations viz refineries / plants / installations / regions / other places shall designate an officer of the department who shall ensure compliance with this Policy.

10.3 The SBUs / entities shall affirm compliance of this Policy as part of annual legal compliance report / certificate of compliance of Applicable Laws in specified template to the legal function for reporting to the Board.

11 DISPOSAL OFDOCUMENTS

11.0 The retention periods specified under the Policy are guideposts against which requirements of concerned SBU / Entity need to be compared. There may be situations that necessitate longer periods than legally required (for example, historical or reference purposes). The period of retention listed in the Policy may provide a more conservative retention period in certain cases.

11.1 After the expiration of the indicated preservation period as per clause 4.1 (b) to (c), the documents may be disposed of / destroyed by the respective department with the approval of SBU / entity head.

11.2 Register of documents destroyed to be maintained: A company shall maintain a register containing the particulars of documents destroyed, date and mode of destruction with the initials of SBU/entity head or such other persons as may be authorized for the purpose.

12 AMENDMENT TO THE POLICY

12.0 In case of any modification / amendment / re-enactment of any existing acts, rules, regulations, guidelines, etc. or an enactment of any new act,rules,regulations,guidelines,etc.,which are inconsistent with this Policy, then such modified / amended / re-enacted provision or new provisions shall prevail over the Policy.

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12.1 The Chairman and Managing Director is authorized to amend this Policy to be consistent with the prevailing provisions of Acts, rules, guidelines, regulations and in accordance with administrative/ business requirements of the Company. Any clarification needed on the Policy, may be referred to Company Secretary Department.

13 DISCLOSURE ON WEBSITE The Policy shall come into effect immediately. A copy of the Policy including amendments thereto shall be hosted on the website of the Company.

14. In case of conflict between this policy and existing policies mentioned under the delegation of authorities the provisions of this policy will prevail.